

APRIL, 1959

*Credit and*

# FINANCIAL MANAGEMENT

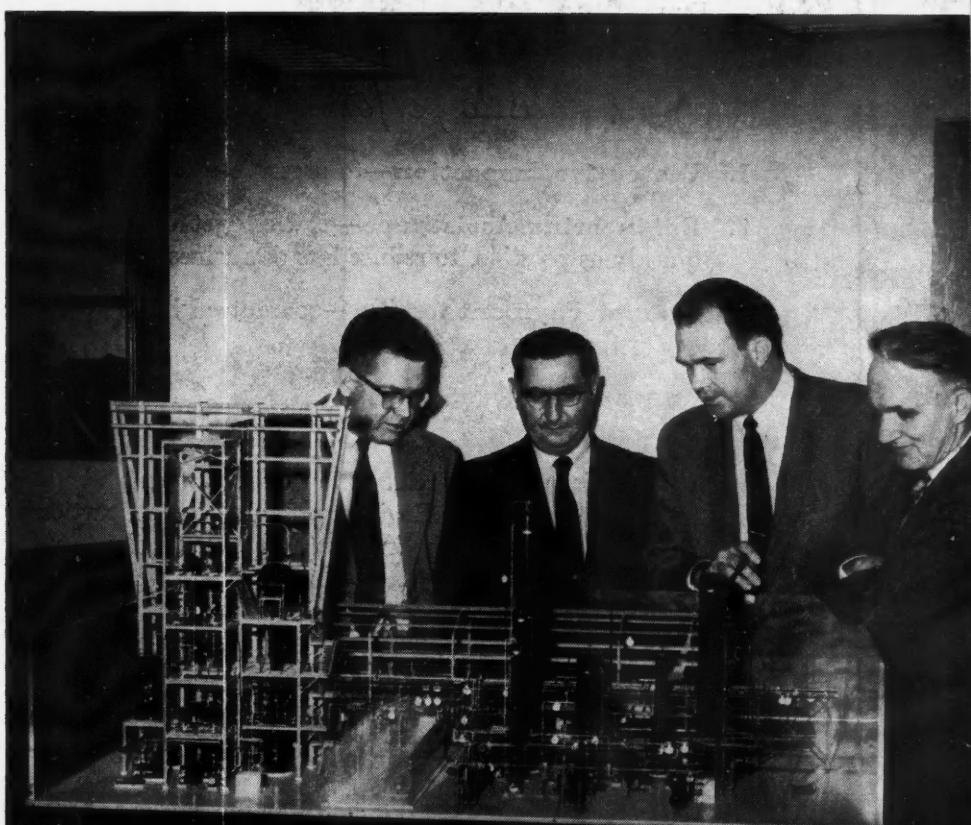
**Leaders See Plus and  
Minus Sides to Law  
For Small Business  
Investment Companies**

**Credit Has Stake in  
Wider Taxing Powers  
Of States under U.S.  
Supreme Court Ruling**

**Who Says Collection  
Letters Must All Be  
Brief? It Depends on  
Message, Says Analyst**

**New Tabulating Punch  
System Saves 11 Days  
For Company without  
Adding to Personnel**

VOLUME 61 NUMBER 4



**Paving Road to Profit**

*(See pp. 5, 12)*



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## Editor's Mail

### Helps Clarify Problems

"The presentation of 'case histories' of specific instances where principles of credit management have been accepted and applied has done a great deal within the profession to clarify problems which each of us meets in our day-to-day function of passing credits."

GEORGE F. BARBER

*Assistant Treasurer, Crucible Steel Company of America, Pittsburgh, Pa.*



### For Graduate Research

"As part of research work for Graduate School of Banking thesis I would appreciate copy of article by G. W. Pierce which appeared in June 1958 edition of **CREDIT AND FINANCIAL MANAGEMENT** under heading 'Know Your Auditor; Has Four Ways to Act on a Financial Statement'."

IRA MOYER

*Assistant Auditor, Provident Tradesmen Bank and Trust Company, Philadelphia, Pa.*



### Many Valuable Ideas

"This is a good time to tell you that your publication has given me many valuable ideas during the years. Your editorial in the current issue is courageous and makes us proud to be on the membership list."

L. WINTHROP

*Credit Sales Manager, Meier & Frank Company, Inc., Portland 4, Ore.*



### Collection Letters Interesting

"I read with great interest the three letters you published in your February 1959 issue, which were entered in the 20th Annual Dartnell Gold Medal competition for business letter excellence."

SAMUEL H. WEINRIB

*Credit Manager, New York Post, New York City.*



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## EDITORIAL

### DALLAS—MAY 3-7

**M**ANY a successful career in credit management has evolved from inspiration or stimulus plus factual data and improved technique acquired at an annual convention of the National Association of Credit Management.

At Dallas, Texas, May 3rd to 7th, 2,500 to 3,000 Credit and Treasury executives will gather for the 63rd annual Credit Congress. Men and women will meet to discuss their individual credit problems, to interchange ideas regarding modern methods of managing credit and office, training personnel, and coordinating operations for maximum profitable production and distribution. You are cordially invited.

Talks and demonstrations will be interspersed with Industry Credit Group meetings. There will be many opportunities to renew personal contacts and make new acquaintances that may prove invaluable throughout the year, when special problems arise or specific information on some account is needed. Not to be overlooked are the enjoyable entertainment features arranged for the evenings, after a full day of concentrated and constructive discussion.

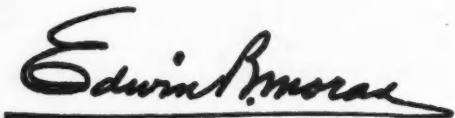
*Two important panels at the general session, others in the Industry meetings, and addresses on economic trends will amplify the exchange of views, ideas and experiences so useful to your credit and financial department operations.*

Discussions on customer counseling, development of marginal accounts, general credit policies, and collection of the troublesome account will help all to better adapt their operations to meet the inevitable and to conform to the unavoidable, as well as harmonize with existing or changing economic conditions.

The trail of credit and financial progress is littered with the debris of outworn devices and methods. Plans, systems and concepts have a rate of obsolescence just as does a piece of machinery. Originally serving their purposes, they tend to become encrusted with habit and tradition to a point where they actually become deterrents to new thinking.

Any formula for success begins and ends with personal contacts. The rules are few, but exacting. Improve your career with new and renewed contacts at this annual gathering of the top credit and financial executives of the nation. You will establish new and higher goals, step up your initiative, fire yourself with enthusiasm and positive thinking, and equip yourself to give your best to the job.

Why not telephone your Local Association Secretary right now for reservations and join us at Dallas—May 3-7, 1959—for your own benefit. By participating in this Credit Congress you will better prepare yourself to meet the increasingly complicated problems of modern credit management.

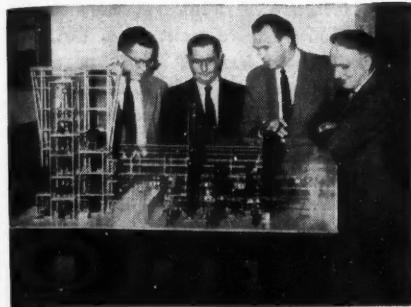


EXECUTIVE VICE PRESIDENT

## THE APRIL COVER

HERE is a reverse "twist" to the so-called "credit problem", a case in which the "problem" is literally a credit opportunity. In this instance the company's first task was to convince a firm that it should produce a product and that the company could make this possible. There was no collection problem because the company is protected by "irrevocable letters of credit".

Ronald Jeanmougin (second from left in the front cover group), treas-



urer and controller of Vulcan Cincinnati, Inc., tells about it in his article on page 12. In the picture (l to r) are: Robert F. Romell, vice president—manufacturing; Mr. Jeanmougin; W. Douglas Beers, vice president—engineering and construction; and Elliott E. Wentworth, secretary. The author's biography is on page 12.

Joining Vulcan's engineering staff in 1940 after graduation from Yale (chemical engineering), Mr. Romell ten years later was named assistant manager of the engineering division and in 1952 assistant manager of the manufacturing division. Last year he was promoted to vice president and general manager of Vulcan Manufacturing, and board member.

Mr. Beers, Iowa State College graduate in chemical engineering, joined Vulcan-Cincinnati in 1951 as sales engineer. Four years later he became assistant manager of the engineering division. Last year he was advanced to vice president and general manager of engineering and construction activities, and became a member of the board.

Mr. Wentworth, a son of the company's founder and in various managerial capacities since 1933, is now a member of the board and secretary of the corporation. Graduate of Dartmouth College after majoring in political economy, Mr. Wentworth is a member of National Association of Credit Management (Cincinnati).

# FINANCIAL MANAGEMENT

General Manager, Edwin B. Moran  
Official Publication of The National Association of Credit Management

VOLUME 61

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# Washington

¶ INFLATION is a principal topic of conversation these days in Washington, both in Congressional circles and in the Administration. Among actions recently proposed by the Administration is the establishment of a special non-Government committee composed of representatives of labor, management, finance, professions and other groups to help the President set five-year or ten-year goals for an expanding population and economy. (Many of our readers will recall that the National Association of Credit Management proposed the establishment of such a committee two years ago.) Working in conjunction with the non-Government advisory committee would be a Cabinet-level committee on price stability in economic growth and allied problems.

In his Executive Order establishing the Committee on Government Activities Affecting Prices and Costs, President Eisenhower named Raymond Saulnier, chairman of the President's Council of Economic Advisers, as chairman of the committee, with members including representatives of the Defense, Post Office, Interior, Agriculture and Commerce Departments; the Budget Bureau; General Services Administration; Atomic Energy Commission; Federal Aviation Agency; and Office of Civil and Defense Mobilization. The Order directed heads of all Federal departments engaged in procurement, stockpiling, commodity price supports, rate regulation, subsidy and similar programs which directly affect prices and costs, to reexamine their programs and "take appropriate action."

The Administration made clear that it feels the fight against inflation should begin in Government, which is the pace-setter for the economy. The new committee is to "recommend to the agencies involved, administrative actions, procedures and policies to assure that existing programs and activities are being carried out, in so far as practicable under existing law and with due regard to national security requirements, in the light of the need for reasonable stability of the price level, and in the light of other national economic objectives."

The President said he had been disturbed that there had been no central mechanism for following current Government operations in this field from a price-cost standpoint. "What is needed today," he declared, "is a fresh look at how they are operating in the light of modern-

## BULLETIN

*The U.S. Supreme Court has reversed the ruling in re Embassy Restaurant, Inc. (U.S. Court of Appeals, 3rd Circuit). The new ruling, in effect, states that employers' contributions to a Union Welfare Fund are not to be construed as wages for priority purposes under Section 64a(2) of the National Bankruptcy Act. It upholds the view of the National Association of Credit Management as filed in its amicus curiae brief.*

day economic problems. We need to make sure we are not contributing to the nation's inflationary problems by the way in which we run our Government."

¶ ECONOMIC RECOVERY will set a favorable tempo this year, with a comfortable but not record-making increase in profits, according to the commerce department's annual survey of industries. Certain "ifs" crop up in various forecasts. For example, the iron and steel industry expects a pronounced increase in production and shipments provided there are no major strikes.

Here are capsule digests of other reports:  
Auto production: 30 per cent above 1958. Flat glass manufacturers: sales at \$500 millions for 1959. Railroad freight cars: increase from the 37,500 deliveries last year. Chemical and allied products: gain of 5 per cent in manufacturers' sales. Electronics: record output of \$7.9 billions, a 14 per cent rise.

Construction machinery and equipment: shipments \$2 billions, compared with \$1.7 billions in '58. Mining machinery: firming of orders and increase in shipments. Food and beverages: 3 to 5 per cent above the \$52-plus billions manufacturer sales last year. Metal can shipments: 2 to 5 per cent over the 4.7 million tons in 1958. Folding cartons: a record year ahead. Lead: 5 per cent increase over the one million ton estimate for the past year.

Oil field equipment and machinery: encouraging gain. Lumber: output valued at \$3 billions. Softwood plywood: 10 per cent increase. Hardwood plywood: continued downward trend of shipments. Household furniture, slight increase; appliances, 5 per cent sales rise. Domestic tele-

phones: 4.8 per cent gain; operating revenue, \$600 millions higher. Communications equipment: definite forward trend.

Machine tools: increase, with \$10 millions rise in shipments of cutting type tools. Electrical equipment: up 10 per cent in total sales. Farm machinery and equipment: moderate sales after a year of upward movement. Scientific and industrial instruments and apparatus: 10 to 15 per cent gain in sales. Newspapers: increases in advertising lineage, revenues and profits, with 60 million circulation.

WALL STREET officials see in a provision of the new socalled Forand tax law a change in the transfer tax on stocks that could materially increase the average tax now paid by sellers of securities. The new rules, effective in January, require that Federal excise taxes on transfers of stocks be based on the "actual value" of the securities rather than par value. The bill had been heralded for reducing the taxes on motion picture theatres, whisky distillers and air taxi services.

Over-the-counter dealers in securities call the new tax base especially unfair to them because they hold positions in hundreds of listed and unlisted issues and deal largely with commission brokers who are not required to pay the tax.

Says a spokesman for the National Association of Securities Dealers: Surveys based on a recent typical trading day indicate the average transfer tax will be three times larger than at present.

MORE LENIENCE in the Government's attitude toward mergers was recommended by Robert L. Piper, Federal Trade Commission examiner, in dismissing an anti-merger complaint against Brillo Manufacturing Co., Inc.

Last June the commission had rejected Mr. Piper's ruling that Brillo by increasing its share of the industrial wool market to over 47 per cent had automatically violated the antitrust laws in acquiring the Williams Company in 1955. Last summer the commission held that a merger could not be declared illegal solely because it increased a company's share of the market. Earlier the commission's general approach had been that market share was the large factor in merger legality. In June, however, the commission ordered consideration of such factors as the competitive situation, number of competitors and degree of concentrated economic power.

Under those new standards, Mr. Piper said Brillo had not taken price leadership, nor had it unduly depressed prices, tried to hold the market for new uses of the product or applied different pricing practices than competitors on Government-bid business.

RAISE taxes, reduce spending, or find more revenue to fight the inflationary influence of deficit spending. That was the choice posed to the Administration by William McC. Martin, Jr., chairman of the Federal Reserve Board. Calling

the war on inflation "at a crucial point," Mr. Martin declared:

"We must face up to the reality of either raising taxes or revising our tax structure to produce more revenue, or reducing the priorities of some other programs until we can get things in better balance."

Deficit spending, he warned, "pumps aid into the business structure as if it were a balloon, and eventually leads to more serious recession, when the balloon pops, than would have occurred."

"When business is improving and moving actively toward higher levels, a budget deficit becomes fuel on the fire of inflation."

The economic policy commission of the American Bankers Association proposes a broad increase of taxes unless the next budget can be balanced by reductions in Federal spending.

FACT-FINDING in the food industry, followed by legislative action "consistent with the public interest, can do much to prevent competitive opportunity from being destroyed," says Senator Hubert H. Humphrey (Dem., Minn.).

A broader investigation to follow the current Federal Trade Commission inquiry on concentration of economic power was hinted at a meeting of the National Food Brokers Association.

Senator Humphrey sees in integration and economic concentration in the industry "a direct competitive threat extending far beyond small grocers and other food independents."

GOVERNMENT CONTRACTS to small business under SBA's joint set-aside program with military and civilian agencies increased 65.5 per cent in number over 1957 and 38.3 per cent in dollar value, says Wendell B. Barnes, administrator.

Based on this record, Mr. Barnes predicted that "small firms will undoubtedly get a largely increased share of research, development and missiles contract opportunities during 1959."

CONSIDERABLE drop in production of pig iron and ferro alloys by U.S. blast furnaces is shown in the 1958 output of 57,764,100 net tons, contrasted with 79,338,932 the previous year. However, December 1958 had a production total of 6,072,890 net tons, highest monthly output since October 1957.

TO CLOSE a tax loophole, the treasury department is working up a bill to specify treatment processes for all minerals allowed in percentage depletion computation, says Secretary R. B. Anderson.

The objective is to overcome effects of court decisions that the value on percentage depletion can be the value *after* certain finishing processes. Percentage depletion permits deduction of a flat percentage of gross revenue derived from mineral products.

(Concluded on page 20)



THREE major challenges of the 1960's will be (1) a national consensus on the size and role of government consistent with a free competitive economy, (2) the devising of methods to control inflation and to moderate recessions, and (3) increase of economic growth to a much higher rate than 3 per cent a year, says J. Cameron Thomson, chairman, Northwest Bancorporation, Minneapolis.

The banker is in the "unpopular and unpleasant" position of being the "instrument by which the government limits potentially inflationary activities of businesses, home buyers, and consumers", the national credit conference of the American Bankers Association was informed in Chicago.

**"The supply of money and bank credit cannot be allowed to expand too rapidly. This means that bankers**

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**J. CAMERON THOMSON,** chairman of the board, Northwest Bancorporation, Minneapolis, is an authority on the economics of Federal government operation. He has been vice chairman of the Committee for Economic Development.

Mr. Thomson addressed the 56th Annual Credit Congress, NACM, at Houston in 1952.

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rise as a result of the independent action of large business and labor organizations."

The core of disagreement over the government's role in an expanding economy, Mr. Thomson believes, is "a whole host of Federal government activities, mainly of a subsidy nature, which have been permitted to grow out of all proportion to their benefits

requirements to fall significantly in the next 10 years. The urgent needs are so great that, even if we impose upon ourselves a severe budgetary discipline, essential Federal expenditures will probably continue to rise at least as fast as the growth in tax increases we may expect as national income increases.

"The public must recognize that additional revenues cannot be raised from the top of the income pyramid. The only realistic possibility is to increase individual income taxes in the lower and middle brackets or to levy a general Federal consumption tax."

#### ***Inflation Jumps, Does Not Creep***

Questioning whether there is such a thing as "creeping" inflation in prices, the bank chairman pointed out that the 24 per cent increase in consumer prices over 1947-49 came

# **CHALLENGES OF 1960's**

## ***Government's Role; Inflation Control; Faster Economic Growth***

must be kept, by overall monetary controls, from making some loans and investments they would like to make. Bankers have a right to ask that they not be discriminated against in financial policy, but they must recognize that they are inevitably in the front rank of those drafted in the fight against inflation."

As a nation we are no more in agreement today than we were 18 months ago on methods to minimize recessions and what to do the next time business activity declines, Mr. Thomson declared. "A strong defense against recession is really the first line of defense against inflation. The second requirement is elimination of artificial restraints by government on the downward movement of prices. A third major set of policy issues that must be resolved before we can halt long-run inflation involves monetary policy.

### ***Ineffective or Damaging***

Perhaps the most important criticism of the use of monetary policy is that it is either ineffective or damaging in situations in which prices

to the nation". He mentioned the \$7 billion current year outlays for farmers, more than \$5 billions for veterans' programs, \$1.5 billions for housing and related projects, \$400 millions for stockpiling. "Some of these programs—in particular, agriculture and stockpiling—are, as presently operated, inconsistent with a free competitive system.

"We cannot expect federal revenue

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***Part of the problem has been that the state and local governments have not put their own tax systems in order.***

***We seem to be approaching the day when a substantial breakthrough may be made toward Federal aid on a massive scale. This would not be in the interest of the nation as a whole.***

—J. Cameron Thomson

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in "three big jumps": immediately after World War II, during the Korean hostilities, and in 1956-57.

There is no one spectacular way to increase the rate of our economic growth, the most difficult task of the coming decade, he declared.

"There would be little argument over the relative priorities of public and private needs if we were able to advance our average rate of growth by, say, 5 per cent per year. The present Federal, state and local tax systems would probably yield at least \$50 billions more revenue in 1970 if we grew at 5 per cent rather than at 3 per cent per year.

"The problem must be attacked on a broad front. I would emphasize three important aspects of economic policy in this connection:

"We ought to be able to moderate business recessions in order to minimize the loss of production through unemployment;

"We should improve the mobility of capital and labor;

"We should reform the tax system to encourage savings and investment incentives."

# Leaders See Plus and Minus in Small Business Investment Firms

THE NEW Federal program to license investment companies to aid small business presents both advantages and disadvantages, speakers declared at the first private forum discussion, but it was agreed that successful operation of a small business investment company would call for top flight personnel, adequate capitalization and dedication to service.

The credit manager, it was pointed out, would consider a long-term debt to such investment company as similar to an issue of preferred stock, with provision for management intervention if dividends were unduly passed over.

Participating in the panel, in San Francisco, under the auspices of the Credit Managers Association of Northern and Central California, were the moderator, William B. Logan, president of William B. Logan and Associates, Inc., San Francisco, assisted by N. C. Berkowitz, associate; Edward L. Turkington, regional director, Small Business Administration, San Francisco; Howard W. Rathbun, vice president and director, First National Bank, San Jose, Calif., representing Robert Morris Associates; Steve Dodge, credit manager, Niagara Chemical Division, Food Machinery and Chemical Corporation, San Francisco; and Donald J. Hicks, general manager, Chemical Fertilizer Company, Inc., Modesto, Calif.

Under the program, SBA will license small companies formed specifically to finance small business enterprises. SBA will regulate and supervise the SBI companies and as-

sist them to get financing by purchasing their debentures and making loans to them from a \$50 million fund. The Securities and Exchange Commission will regulate issuance and public sale of securities by these investment companies and will have jurisdiction over any public distribution of securities of small business purchased by them.

The program, though in a state of flux, is the first positive move in the right direction toward providing equity financing and long-term loans to small business, needs which commercial banking has not fully met, said the moderator. Mr. Logan had participated in President Eisenhower's Conference on Technical and Distribution Research for the Benefit of Small Business.

In essence, he explained, this Act represents a compromise between Government and private enterprise. "The intention is to keep Government out of the program and to move private investors to place money in small business."

Mr. Rathbun provided a roundup of the points of view of a number of bankers. He said thousands of inquiries had been received by SBA and others. Only 27 formal proposals had been made and of these less than half were from bank sponsors, but these facts he took to indicate a period of analysis of the potentials after the first rush for information, rather than lack of interest.

Following are resumes of the presentations of the panelists, who are shown below:

**EDWARD L. TURKINGTON,**  
SBA Regional Director, San Francisco.

THE SBA will not participate in loans with SBI companies. They are to be privately owned investment companies. The Government intends to stay out, but will help organize these companies, will require that they obtain approval for some of their plans but not that they spell out their plans in detail. It wants them to set outside limits under which they will operate. It allows a maximum amount of freedom to persons organizing these companies under the Act, which is to be administered so that they will prosper and grow.

The small business firms to receive financial help will be selected by the investment companies' owners and managers, who must have extensive knowledge of finance, business and administrative management.

In its careful screening of potential investment companies, SBA recognizes that money is not the solution of all problems, that top experienced managerial skill is essential. Too, Government will make certain that sound financial footing is assured before issuing a license.

The SBI company will require a minimum of \$300,000 working capital, SBIC putting in \$150,000 cash. It can lend only 20 per cent of capital stock surplus, an investment of \$50,000 to \$60,000 in a going small business firm.

The Act is constantly undergoing  
(Continued on following page)



W. B. LOGAN



EDWARD TURKINGTON



STEVE DODGE



D. J. HICKS



H. W. RATHBUN

modification and undoubtedly faces some major changes, following such criticisms as "charging too much interest" and "initial percentage of investment in small firms not high enough."

**STEVE DODGE, Credit Manager, Niagara Chemical Division, Food Machinery and Chemical Corporation, San Francisco.**

PRIVATE enterprise will be encouraged and the economy strengthened if the Act opens a "break through" path from small business to large business by providing a means under which growth capital can be obtained by firms not yet sufficiently large to attract investment bankers or to warrant a public stock issue.

An SBIC offer or loan appraisal could serve as a valuable yardstick or alternative to a small business seeking financing.

**SBIC is not a bail-out device for delinquent, mismanaged ventures. Only profitable, growth prospects would attract SBIC money.**

We would consider it unethical to refer prospective firms to one or more SBICs but would not hesitate to recommend to a customer that he contact a SBIC if in our opinion his firm has need of long-term financing.

Nothing bars a large commercial or manufacturing firm from participating in formation of a SBIC, but applications and operating plans will doubtless be screened carefully for evidence of methods or practices leaning toward restraint of trade.

Present SBIC funds authorized, if fully employed, would not be a drop in the bucket compared to overall working capital needs of our economy or of small business as a whole. To individual firms, important working capital may be made available by SBIC.

A credit manager would view the existence of a long-term debt to an SBIC somewhat similar to an issue of preferred stock, with provision for management intervention if dividends were unduly passed over. The principal differences would be that the SBIC interest would be more closely held than a broad issue of preferred stock, that SBIC management would be more alert and very

aggressive because of pressure to earn a return on its investment.

Due to competition for funds, an SBIC might look for "a way out" at the expense of discount sale of its investment.

A credit manager would have to make the usual appraisal of the borrowing concern, also attempt to judge the attitude of the SBIC investors.

**DONALD J. HICKS, General Manager, Chemical Fertilizer Company, Inc., Modesto, California.**

**S**MALL business is traditionally undercapitalized, undermanaged, undersold.

At the end of World War II, products were out of supply, personnel was scarce, there was no money for lending, no competition. In the gradual swing from a war economy to a peacetime economy, civilian products begin creeping back on the market. Products then become plentiful, competition keen, and the product has to be sold. The businessman finds he must dip into the cashbox and provide what the customer wants. Comes the need for more attractive packaging, more effective advertising.

The small businessman finds he needs working capital. He needs help from big business, banks, other money-lending institutions, Government.

Small business is ready, for the first time since the war, to accept this advice.

**HOWARD W. RATHBUN, Vice President, The First National Bank, San Jose, California.**

**B**ANKERS saw both good and bad in what they had read and heard (about the SBIC Act) but they were taking a good look at it, I found.

I made inquiries as to what bankers thought. Here are the plus and minus factors they mentioned. Some I believe to be valid, some not necessarily so.

#### **Some Reported Plus Factors**

The SBIC program gives a bank an opportunity to serve borrowers better. With an affiliated SBIC, a bank need not tell customers to go elsewhere for permanent capital.

Good public relations. A bank can show local business and the commun-

ity that local banking is serving them, also helping to bring new industry to the area as a result.

Good opportunity for profit. A bank with an SBIC affiliate can make more than just interest. There are tax and other advantages.

**SBIC is the only way to get into the field of equity ownership. (Here is the chance for banking to get back legally into the investment banking field after the days of the 1930s.)**

Some believe participation in SBIC now might keep Government from coming up with a more drastic plan, assuming that Government feels equity capital must be forced into small business.

Some believe SBIC can be looked upon as an honest attempt to provide control to aid small business.

Some think that SBIC would help small business to grow into larger business through creating more jobs for the community and more business for the bank.

Some believe that long-term money and equity financing is not now available and won't be made so under existing system, and so SBIC fills a need.

Others see in SBIC an opportunity for utilization of banks' existing large manpower pool of capable people (some think they are over-utilized now).

Some believe SBIC might prove a means to stimulate the economy at the local level during depression times.

#### **On the Minus Side**

**Following are some minus factors that came up in discussing SBIC with various bankers:**

SBIC builds up unjustified hopes in unqualified businesses (many businesses that are not qualified for other types of financing would not qualify for SBIC).

As presently planned, a borrower must subscribe to SBIC stock, where as he only wants to borrow money.

A small SBIC might be dangerous if under-capitalized. With poor personnel it could hurt a borrower through bad judgment, or could cause the SBIC itself to fail through unsound investments.

Banks are too limited as to amounts they can invest in SBIC (1 per cent capital and surplus); therefore, only banks in the first 300 could do much good; or the small

*(Concluded on page 21)*

# Credit Has Stake in States' Taxing Power under Supreme Court Ruling

**B**ROAD POWER to assess taxes on business was accorded to states in two new Constitutional decisions by the United States Supreme Court which will have an important bearing on credit operations in the future. The high tribunal handed down these rulings:

1. A state may legally tax an out-of-state corporation on a part of its net income calculated to have come from activities within that state, even though those activities "are exclusively in furtherance of interstate commerce". The vote was 6 to 3.

2. In spite of the Constitution's ban on state taxation of imports or exports, a state may collect a property tax on raw materials imported by a manufacturer and stored by him for immediate use at a plant within the state. On this issue the vote was 6 to 2.

Justice Felix Frankfurter, dissenting in both cases, declared that the court had opened the way for destructive taxation of interstate and foreign commerce. He charged that the rulings had upset doctrines more than a century old.

Many states are expected to widen the application of their taxes to imports and to corporations doing interstate business, in view of the need of new tax sources by most states.

## Two State Cases Involved

The income tax ruling emerged from two separate cases.

The Northwestern States Portland Cement Company of Iowa shipped cement from Iowa to dealers in Minnesota, where it sold 48 per cent of its product. It manufactured nothing in Minnesota and maintained only a small sales office in that state. It had not formally qualified to do business in Minnesota under the latter's corporation laws.

Minnesota decided in 1950 to apply its new income tax to Northwestern, and levied the tax for the years 1933 to 1949, seeking a total income of \$102,000 from the company. The amount, including penalties and interest, was set under a complicated formula to determine the share of a company's income attributable to its activities in Minnesota.

## Could Hamper Business Activity: Rockefeller

*In New York, Governor Nelson Rockefeller and the state tax commissioner, Joseph H. Murphy, discouraged any thought that new business taxes could reduce the need for increased personal income taxes.*

*Governor Rockefeller, conversing with a group of visiting attorneys from South America, cautioned that use of the taxation powers accorded states under the Supreme Court rulings could discourage business activity whereas his administration's aim is to encourage it.*

*Commissioner Murphy said the rulings would have to be studied to learn their full implications.*

The second income tax case involved Stockham Valves and Fittings, Inc., a Delaware corporation with its main plant in Birmingham, Alabama. The corporation had no manufacturing or warehouse facilities in Georgia, only a sales office in Atlanta with a secretary and one salesman, who spent two-thirds of his time on business in nearby states.

The State of Georgia, using a formula to decide the portion of income that could be attributed to activities in the state, claimed \$1,478.31 from Stockham for 1952, 1954 and 1955.

The Supreme Court upheld the constitutionality of the tax in both cases, despite the general theory heretofore that interstate commerce must not be hampered though companies must pay for state benefits they receive.

Justice Tom C. Clark, writing the opinion for the majority, said 35 states impose net income taxes on corporations. The right to tax apportioned net income of out-of-state corporations has been made clear by cases going back to 1918, he added. While conceding that those cases concerned corporations domiciled in or doing intra-state business in the taxing state, he declared that fact did not alter the principle involved.

The dissenters held that these pre-

cedents were not controlling and expressed concern over the differing apportionment formulas various states might use.

Justice Felix Frankfurter warned small and medium-size businesses might be smothered under an army of lawyers and accountants whom they would need to keep up with divergent tax laws of states involved.

## The Import Cases

The import issue also arose from two cases.

Youngstown Sheet and Tube Company imported from five countries. The ore is stored beside its plant in Youngstown and is used as needed. The State of Ohio sought to impose a personal property tax on the value of the stored goods.

United States Plywood Corporation imported and stored lumber and veneers from Canada for use at a plant in Algoma, Wisconsin. The city imposed a property tax on half the stored wood, figuring that much as part of the plant's operational requirements.

On the Constitutional provision that "no state shall, without the consent of the Congress, lay any imports or duties on imports or exports . . .", the Supreme Court in 1945 by a 5-to-4 decision had barred the State of Ohio from taxing bales of hemp imported by a manufacturer and stored for use in its Ohio plant.

The court majority holds the two current cases different in that the imported goods are "essential to current operational needs". No valid distinction, the dissenters retorted.

## Management and Research Office for Small Business

An office of management and research assistance to help small business has been established by the Small Business Administration in Washington. Assistance will be through research studies, workshops, study groups and courses, management and technical publications, and management and marketing counseling.



By RONALD JEANMOUGIN  
*Treasurer*  
Vulcan-Cincinnati, Inc.  
Cincinnati, Ohio

**I**N our business it is necessary occasionally to establish a prospective customer as a good credit risk in order to sell him our products and services. Once an order has been placed with us, we have essentially no collection problems. This will be explained later.

In order to help establish a prospective customer's credit, we often must prove to the financial institution the quality of our own product and service. To clarify this, I should explain our company's basic operations. Vulcan-Cincinnati, Inc., is in the business of engineering and constructing complete chemical plants or important components thereof. A separate operation, Vulcan Manufacturing, designs and fabricates equipment of all kinds for the chemical process industry and the petroleum industry.

#### *Collection Not the Problem*

We do not have collection problems because we are protected by "irrevocable letters of credit," or we deal with "blue chip" companies where there is no risk. In many cases our projects are performed on cost-plus or "progress payment" basis. From the very beginning of a project, the customer pays the company on a regular basis, usually monthly, according to the percentage of completion of the job. This continues from the first engineering drawings until the plant has been built and is producing salable products.

Basically, our sales effort consists

## MANAGEMENT AT WORK

### *.... a problem case is solved*

of convincing a chemical firm that it should produce a certain product or group of products, and that we can make this possible. We must convince him that we can provide the correct process and economically engineer that process into a working plant capable of producing a stated amount of that product.

Getting to a case in point, one of our customers found it necessary to obtain a sizable loan in order to finance the engineering and construction of a plant.

#### *Never Had Heard of It*

Here was the problem:

The customer wanted to manufacture a product which the lending agency personnel never had heard of, in which the raw materials were air, water and natural gas, and to make it by a method completely mysterious to the creditors.

If the customer were to be granted the loan, all the creditor's doubts had to be allayed—and there were many. We had to help the prospective customer demonstrate that he was a good financial risk.

In this case, as in others, that which was clearly understood between our engineers and those of the prospective customer was completely unintelligible to the lending institution's people.

Sales engineer, design engineer, construction engineer and accountant were called upon to demonstrate that:

1. The process had been proved practicable and efficient through complete pilot plant studies and actual experience in previous commercial installations.

2. Our company has a reputation for delivering on time and for otherwise honoring the terms of its contracts.

3. The prospective product was salable.

4. Corporate earnings after taxes

would be sufficient for the customer to pay expenses and retire the loan within a reasonable number of years.

We made economic studies, as we had done many times before, established production costs, current market value, projected market value for a number of years, and anticipated profit factor. We were able to show that the product was in high demand and probably would remain so for at least five years, that it could be produced at a cost which would assure a return sizable enough to retire the loan without undue strain.

We also were able to show letters from a customer for whom we had built an almost identical plant, testifying to the efficiency of the process and the profit margin of the product.

We demonstrated the soundness of the plant to the satisfaction of the lending institution, and the "irrevocable letter of credit" was issued.

It is much more difficult to convince creditors when what you are trying to sell is the first full-sized commercial plant in the country of its particular type. We then must interpret to them the results of our pilot plant experience.

Since sales are the lifeblood of all commercial enterprises, the efforts of

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**G**RADUATE of Xavier University, Cincinnati, Ronald Jeanmougin served the university two years as registrar and instructor, then became assistant manager of Newton Products Company.

In 1940 he became associated with Wright Aeronautical Corporation and was assistant auditor and contract termination manager of the Cincinnati plant.

Mr. Jeanmougin joined Vulcan-Cincinnati, Inc., in 1945 as controller. Last year he was elected treasurer and member of the board of directors.

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each department of a firm, including treasury and credit, contribute to the selling operation. It is to the advantage of everyone connected with a firm, therefore, that top management of departments be able to communicate in the same language with each other. And that this be translatable into the language of finance, perhaps the most important tongue to all.

#### **Inflation Psychology Widest In Years, Economist Warns**

Inflation psychology "appears to be more widespread than in a number of years", and within 12 months profit margins again may feel higher cost pressure as serious labor troubles loom with demands for substantial increases in wages, says Roy L. Reierson, vice president and chief economist of Bankers Trust Company, New York.

The "more conspicuous" recent toll levied by inflation, Dr. Reierson told the Chamber of Commerce of Greater Philadelphia, "is indicated by the worsening competitive position of American industry in world markets, a less favorable balance of international payments, greater questioning of the dollar, the outflow of gold, and the financing problems of the Treasury."

Raising a question whether rising costs and prices may not be "contributing to maladjustments" in the path of maximum usage of America's resources of manpower, materials and capacity, the economist points out that the pace of economic expansion in the last half-decade has dropped noticeably below the 3 per cent average annual rate for the long term.

#### **Hawaiian High Court Upholds Territorial Fair Trade Act**

The supreme court of the Territory of Hawaii, reversing a lower court ruling, has upheld the constitutionality of the Hawaiian Fair Trade Act, in the case of *Johnson & Johnson, Inc., v. G.E.M. Sundries, Inc.*, the 18th court of last resort of a state or territory to uphold a Fair Trade law.

State Fair Trade acts are now operable in entirety in 29 states and in Hawaii. Courts of last resort of 15 other states have held the non-signer clause invalid. One court of last resort held the state's entire Fair Trade Act unconstitutional.



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**Fidelity Insurance Co. of Canada, Toronto**

**Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore 3, Md.**

# Who Says All Collection Letters Must Be Brief? It All Depends on Message, This Authority Holds

**B**REVITY or length of a collection letter depends upon which style better puts *you* and the complete message across to the account, says Frank Hardesty, customer service manager of O. M. Scott and Sons Company, Marysville, Ohio.

The key is in definition of a letter as "an instrument designed to take the place of a personal visit."

Not always can a letter be brief and at the same time cover the complete problem at hand, Mr. Hardesty explains.

**"The letter should accomplish a specific purpose. That purpose should be in your mind before you begin dictating. If you have a clear purpose, and if the letter is designed to accomplish that purpose, then what difference does it make if the letter is two paragraphs or six pages?"**

"Write as you would talk. Write freely and at length if you wish, or write briefly, whichever the better puts *you* in the letter."

Mr. Hardesty presents two letters—one short, one long—both written by the same man, each with a definite objective, each a clear and complete message, "neither consciously written with any rule in mind other than 'write as you talk'".

## LETTER NUMBER ONE

Your latest check speaks for itself and it speaks for you, too, Dave.

It reduces your balance to \$2290.51. That's \$5.40 less than you thought it was, because my last itemization overpriced your July 18 order by that amount.

Your next check is due here October 4 . . . then October 11 . . . and so on. Stay on that weekly schedule and there will be absolutely no problems.

## LETTER NUMBER TWO

I enjoyed our recent telephone chat. Thought I'd write and keep

the contact warm . . . and review our position.

On the matter of your return of seed, and subsequent issuance of our credit memo of \$116.05, we did credit your return at salvage value, in accordance with our normal procedure used with all Dealers. However, because there is some question in your mind regarding your understanding related to the amount of credit you were to have received, we are, in this case, going to issue an adjustment in your favor, allowing you full credit on your return.

To be specific, here is a listing of the items you returned and for which you were credited. I am also listing the salvage-value credit you received . . . plus the amount of full credit you will receive when our adjustment is processed.

Quantity	Unit	Description	Seed Date	Unit Price	Amount	Adjusted Unit Price	Adjusted Amount
10	Bx	1 lb Picture	11/56	.60	6.00	1.29	12.90
4	Bx	5 lb Picture	1/57	3.00	12.00	6.40	25.60
8	Bx	14 oz Family	11/56	.40	3.20	.97	7.76
1	Cs	10 4 lb Family	7/57	18.00			32.15
2	Bx	4 lb Family	7/57	1.80	21.60	3.22	6.44
10	Bx	4 lb Family	1/57	1.80	16.00	3.22	32.20
25	Bx	14 oz Play	11/56	.25	6.25	.64	16.00
4	Cs	10 4 lb Play	7/57	10.00	40.00	25.85	103.40
9	Bx	4 lb Play	7/57	1.00	9.00	2.58	23.22

The total of your adjustment thus will be \$143.62. This, then, shows the following as current itemization of your account:

1. Invoice due 4/25	100.00
2. " " "	4678.65
3. " " "	246.25
4. " " "	65.00
5. " " "	24.50
6. " " "	446.80
7. " " "	12.80
8. " " "	72.00
9. 8/11 Credit memo	116.05
10. Order of 250 Turf Builder released 9/22, due 10/25.	612.50
11. Adjustment of 8/11 credit memo, as covered in this letter.	143.62 6068.63

Conclusion: Your payment schedule, therefore, will look like this, starting with the payment you plan to make this Saturday:

On This Date	Mail a Check of
9/27	2600.00
10/11	1784.41
10/25	1784.22

Knowing when to address your customer by his first name is quite simple provided certain proven pro-

**F**RANK HARDESTY, customer service manager, O. M. Scott and Sons Company, Marysville, Ohio, has developed a course on "building better letters" and has presented it at clinics in several states.

Mr. Hardesty also has evolved a related correspondence course in which clients' letters are analyzed and revised for a "customerized" library of forms and guides for collection letters.

cedure is followed, according to Mr. Hardesty. Generally it is good to be on a first-name basis with accounts, but it is also true that in certain cases "a first-name basis could quite easily smash all possibility of results out of your contact".

The question arose at a seminar Mr. Hardesty was conducting on the technique of the "one-two punch" in collections: phone call and letter on same day.

## The Phone Call

"It all starts when you phone your customer. Let's say you are phoning him about his overdue balance of \$637.04. He has ignored your letters. Your telephone operator tells you Mr. Smith is on the line. The conversation:

"Mr. Smith?"

"Yes."

"Good morning. My name is Bob . . . uh . . . Bob Jones. I'm with the Miller people in Dayton." (The "uh" before repeating the first name, as above, is placed in the sentence to designate the form of natural conversation. If your customer is of friendly nature, he will respond with your first name).

"Okay, Bob. What's on your mind?" "Well, John . . ." (Here take off into your presentation of facts).

(If your customer answers, "What's on your mind, Mr. Jones?" then keep your conversation and your following letter on a last-name basis.)

## Your Follow-up Letter

Your follow-up letter to that phone

conversation, written the same day, might go something like this:

Dear John:

I enjoyed our telephone chat today. Thought I'd write and keep the contact warm . . . with a brief review of the arrangements you and I worked out together.

Your balance was \$1137.04. You mailed a check of 9/25 . . . \$500.00. Current balance: \$637.04.

You feel that the remaining balance can be cleared in partial payments extending over another sixty days. While I certainly want you to have the time you need to work out of a temporarily tight financial situation, I would prefer to see your account "clear" just a bit sooner than that . . . say by about the first of November.

Accordingly, John, let's consider this as the payment schedule:

On This Date	Mail a Check of
10/4	212.34
10/18	212.35
11/1	212.35

That's a genuinely cooperative arrangement. It gives you more time to pay . . . and it's satisfactory with us.

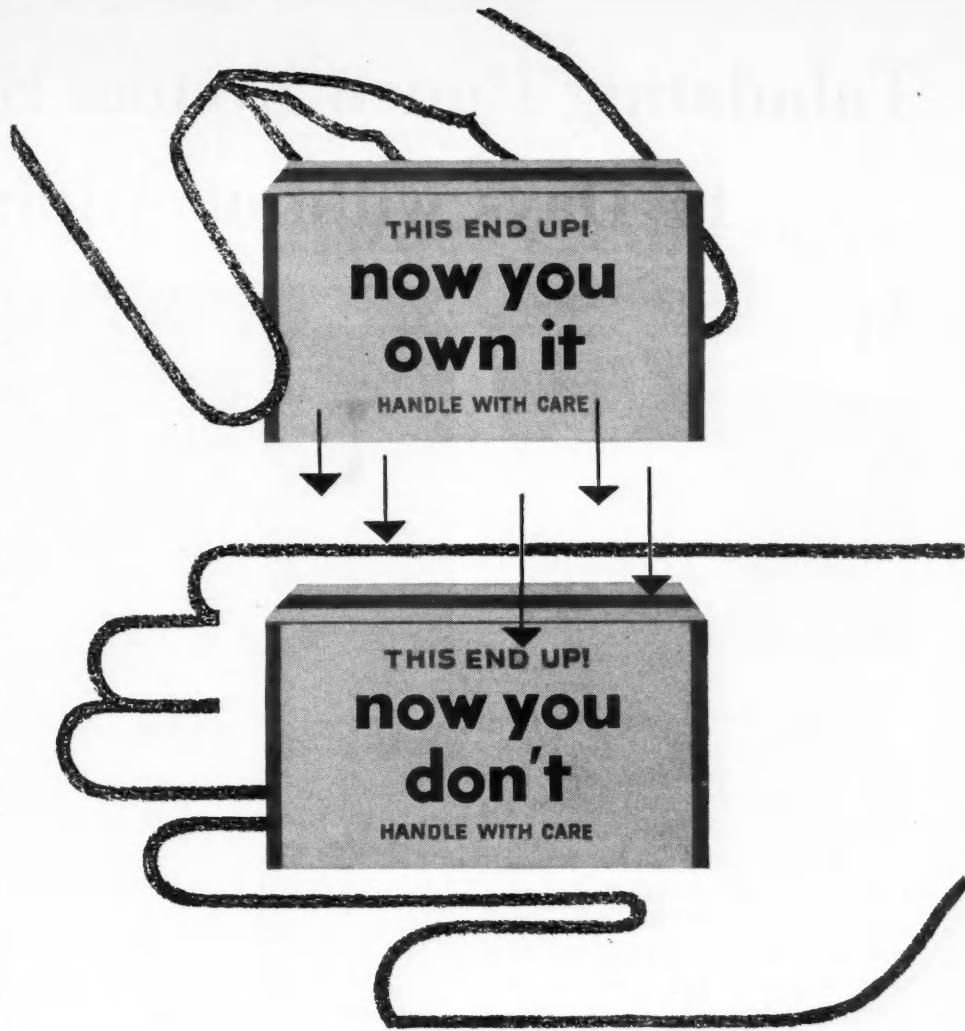
#### Healthier Interest in Politics Declared Duty of Every Adult

Every citizen has a duty to make the personal sacrifices of time, effort and money "to create a healthier interest in political endeavor", said M. C. Patterson, general manager, Dodge Division, Chrysler Corporation, speaking at Taylor University, Upland, Ind., where he was awarded an honorary doctor of law and letters degree.

"Young people", he declared, "must believe there is at least as much glamour in the business, political and educational fields as in the short-lived, over-publicized career of the professional athlete or Hollywood movie star".

*The test of our religion is whether it fits us to meet emergencies. A man has no more character than he can command in a time of crisis.*

—R. W. Sockman, D.D.



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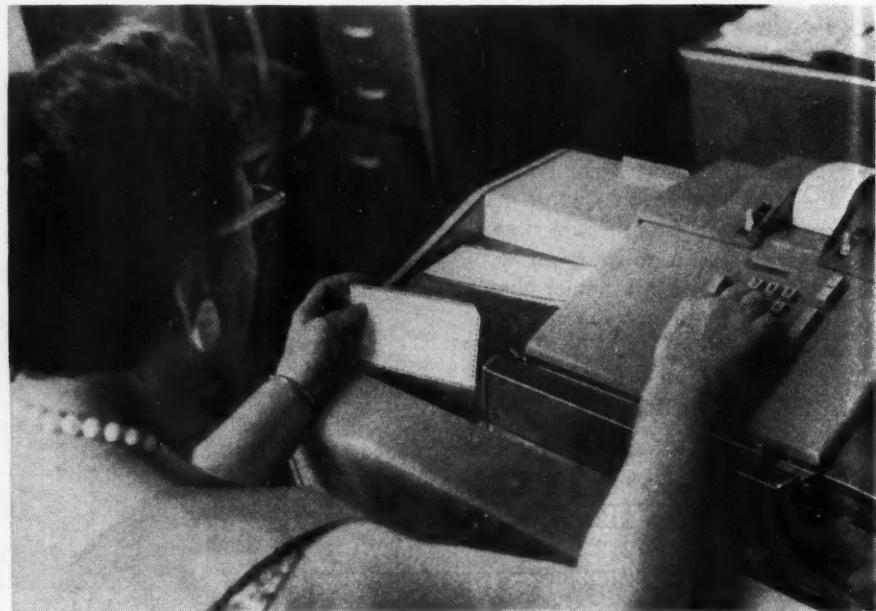
# Tabulating Punch System Saves Firm 11 Days without Adding Personnel

**M**AINTENANCE of a company's market position may well hinge on speed in getting sales-cost data into the hands of management, so that marketing decisions may be made with greater assurance on up-to-date information. A formidable obstacle, however,

G. A. HENRY

to management's obtaining current, comprehensive marketing data is the sheer bulk of data processing tabulations required. The problem is particularly peculiar to growth companies.

When Roots-Connersville Blower, a division of Dresser Industries, Inc., found itself unable to obtain complete data on the preceding month's sales, production and costs until the fifteenth working day of each month, its course toward closing the gap was aided by top management's credo that "company advances should not be restricted to plant and product technology." Following installation of its tabulating punch system, company finds required figures are available on the fourth working day



**CLOSE-UP of operation**—The Keysort cards are marginally notched to carry other information and to facilitate sorting and filing of cards. Repeated processing of figures has been eliminated, "proofing" time cut in half with McBee Tabulating Punch. Machine automatically processes cards through all stages until final reports are prepared.

after the month has ended. And this without incurring heavy tabulating expense or expansion of clerical staff. Controller Glenn A. Henry gives details.

Roots-Connersville, prime pro-

ducer of blowers, vacuum pumps and related equipment for defense and manufacturing facilities in all parts of the world, is a subsidiary of sprawling Dresser Industries, Inc., which operates 16 plants throughout the United States. Roots-Connersville employs approximately 600 persons and occupies floor space of 285,000 square feet on an 18-acre site at the edge of Connersville, Ind.

"The blower business is a highly competitive one," notes Mr. Henry. "Orders go to the company offering products that can move the most cubic feet of air per minute with the greatest efficiency and at the lowest cost. Up-to-date, comprehensive facts and figures help us to sell our products at competitive prices and yet stay in the black."

"The complexity of our product line formerly led to difficulties in supplying sales-cost data promptly for each product. Our products include blower and pump equipment in 15 major categories. These products, however, are offered in hundreds of different sizes and size-combinations. As a result, salesmen's catalog lists



**KEYSORT TABULATING PUNCH** in accounting department of Roots-Connersville Blower, div. of Dresser Industries—Operator is shown punching data onto sales-cost analysis cards with the Tabulating Punch of Royal McBee Corporation. Data being punched into the Keysort card are accumulated in machine and amounts are printed on the adding machine tape.

are actually a voluminous directory of products.

"The magnitude of this sales analysis job is highlighted by these requirements: We prepare, by product, monthly production reports which include cost breakdowns for direct labor, manufacturing burden, and direct sales. We also compile monthly sales reports which present, by sales office, comparisons between quotas and actual sales.

"At the end of the year we will prepare, on the basis of the monthly reports, a complete sales analysis breakdown for 12 months. The tabulating activities required to develop these cost and sales analyses involve the processing of more than a half-million marginal notched Keysort cards yearly."

The Keysort Tabulating Punch, product of Royal McBee Corporation, now enables Roots-Connersville executives to have marketing data in time for action. "A tremendous saving of time is achieved by elimination of the need to transcribe data from original records to cards or tapes," Mr. Henry says. "The elimination of repeated processing of detail figures also minimizes checking of figures. It has been estimated that about 35 per cent of clerks' time is given to checking the work of others. Checking time at Roots-Connersville has been cut by more than half with the use of the Keysort Punch, the controller adds.

The Tabulating Punch code-punches quantities and amounts into the body of the original Keysort record cards while it accumulates and prints the totals on tapes. In fact, the Punch automatically processes these cards through all stages until the final reports are prepared.

Thus the Tabulating Punch can punch two quantities into the body of a Keysort card while printing at the same time these quantities on a tape, accumulating the amounts for totaling. The Punch can also "reproduce-punch" quantities from a pre-punched card. It automatically punches net accumulations into summary cards.

The Keysort cards have holes around the four edges. Like characteristics are indicated on the cards by notching the corresponding holes. Sorting of cards by various classifications is carried out with the stylus

(Concluded on following page)

# This booklet will show you how to reduce credit risks



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Your Copy**

St. Louis Terminal's Controlled Inventory Plan, explained in this booklet, enables you to put more merchandise at the disposal of your dealers or distributors.

Through this plan the increased inventory will not increase your credit risk.

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ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ ZONE \_\_\_\_\_  
STATE \_\_\_\_\_

## ROOT-CONNERSVILLE

(Concluded from preceding page)

or sorting needle. Insertion of the stylus into the hole of a group of cards results in the separation of notched cards from the group, making classification a simple, manual procedure.

### Sales Forecasts

"Another important use to which the Keysort Tabulating Punch now is being put is keeping check on our annual sales forecast which Roots-Connersville submits to the parent company," the controller points out.

"Each salesman also has a sales quota. It is now possible for a salesman to get accurate, current figures at any time on how his sales compare with his quota."

The procedure is to run the punched cards through the machine in three or four minutes to obtain the total amounts of his sales. Formerly, this tabulating would have required a clerk to check thousands of customer invoices and do the necessary computations over several hours. Cumulative sales figures are taken and posted each day.

### Other Applications in Store

Another application of the Tabulating Punch now under consideration by the company is a field service analysis, by lines of product and by territories. These data would enable



**CUSTOMER COUNSELING** was the topic of an outstanding panel discussion presented by the Los Angeles chapter of the National Institute of Credit and sponsored by the Credit Managers Association of Southern California. STANDING (l to r): John Bowles, president, Rexall Div., Rexall Drug Co.; Hal Stebbins, pres., Hal Stebbins, Inc.; W. L. Chilson, Kaiser Steel Co., pres. Los Angeles chapter, N. I. C. SEATED: R. D. Roberts, gen. credit mgr. Union Oil Company of California; George Fox, vice pres.-sales, Boyle & Co.; and the moderator, Bryant Essick, president, Essick Manufacturing Co.

top management to determine where more or less sales activity should be concentrated. "The high cost per sales call and the critical importance of effective sales activity in determining a company's profits could make field service analysis one of the more potent weapons in the sales manager's arsenal.

"Royal McBee worked closely with us in designing cards that would be most suitable for each application of

the Tabulating Punch," Mr. Henry adds. "Currently, as explained, we are using one card which shows all the components of cost—direct labor, manufacturing burden, and material costs. Robert Carter, our cost supervisor, now is developing a card which will show by product line, variable costs and profit-volume ratios."

### Office Must Progress Too

In the ten years that have elapsed since the present top management, headed by Ralph E. Newquist, took over direction of the company, tremendous strides have been made in product improvement and development. Wisely, top management has emphasized that these advances should not be restricted to the technological field; that marketing and other activities of the company also should be subject to constant scrutiny so that effective performance may be stepped up steadily. In this case history simple automation shows how it can contribute to management action in the area of sales.



**COMMUNICATION** was discussed by panelists at the Ninth Annual Credit Forum of the Wholesale Credit Association of Oakland, sponsored by the Royal Order of Zebras. The panelists (seated, l to r) and the viewpoints they presented were: for the credit executive, Warren Van Lear, credit manager, Zellerbach Paper Co.; for bankers, Ray Righetti, asst. vice pres., Bank of America NT&SA; the moderator, Don Gordon, John Mulhern Co.; for salesmen, William Dittae of Bank of America, formerly a sales manager for Crown Cork & Seal Co.; for accountants, Gordon Graham.

STANDING (l to r): Luther O. Green, association president, and K. P. White, Superzeb, Oakland Herd.

Among honored guests was Wes C. Williams, former Grand Exalted Superzeb and co-founder of the annual event. A lively discussion followed the formal presentation.

*Do unto others as you would have them do unto you—but do it first!*

—Anonymous

## H.R. 4245 Would Penalize Insurance Firms: Grimes

Decrying Government controls and H.R. 4245, which if enacted "would drastically revise the income taxes payable by life insurance companies generally" and "would further penalize a company which writes credit and/or group insurance for short periods of time", E. L. Grimes, chairman of the Board, Commercial Credit Company, Baltimore, told a press conference in New York that whether the activities of its subsidiary Cavalier Life Insurance Company will have an opportunity to develop beyond the credit and group life fields "depends in large part on the outcome of this legislation".

The House has passed the bill. If it becomes law, it will be retroactive to Jan. 1, 1958. A provision of the House ways and means committee bill, imposing a tax on a type of income not previously subject to taxation, would tax underwriting gains—one half currently and the other half when made available to stockholders.

Operations for 1958 were charged with an additional reserve amount deemed sufficient to provide against the maximum liability that could result from passage. Mr. Grimes said. "If the bill goes through, its full impact would not hit Commercial Credit Company until 1961."

The primary source of business of Cavalier has been credit life insurance applicable to those indebted to the finance subsidiaries.

Consolidated net income of Commercial Credit Company totaled \$26,802,391 equivalent to \$5.29 a share, compared with \$26,896,969 at \$5.33 a share in 1957, the board chairman noted. Earnings of the manufacturing subsidiaries dropped \$1,614,366, to \$2,637,597 (\$0.52 per share as against \$0.84 in 1957), 40% of the decline due to one company's operation of two plants for five months while moving to new quarters. Earnings of finance and insurance subsidiaries were up \$1,519,788, to \$24,164.794. Finance companies, which expanded operations into financing for the boat industry and auto leasing, earned \$3.21 a share compared with \$3.14 in 1957; insurance subsidiaries \$1.56 as against \$1.35.

Accounting chiefly for the finance companies' larger net income was the \$4,987,892 decrease in cost of

money borrowed, 87% of the drop being in cost of money borrowed, 13% because of less borrowing.

Reserves of the finance and insurance companies at year-end were \$125,710,001, made up of reserves for losses of \$18,617,824, unearned income on the instalment receivables at \$79,137,245, and unearned premiums of the insurance companies at \$27,954,932.

The insurance companies' operations showed a net income of \$7,906,844 after provision against possible enactment of H.R. 4245.

## Family Shopping and Buying On Increase, Panelist Says

Family shopping has increased markedly, with more purchases, 125 industrialists and merchants were informed by a panelist in Alfred University's Eighth Annual Businessmen's Seminar, at Alfred, N.Y.

The speaker, Bruce Krysiak, assistant to the president of Loblaw's, Inc., Buffalo, N. Y., said, "Children are our best impulse shoppers, and television commercials make them the best brand shoppers". He noted "amazing success" with new products.

*It takes as much effort to escape work as to do it.*

—N. A. Rombe

such as cake mixes and extended pet departments.

Sales of the supermarket industry as a whole increased 7 per cent in 1958, he declared, but he predicted keener competition.

Dry cleaning is a barometer of customer attitudes but laundering is not, said panelist John Skelton, manager of Looh's Cleaners and Launderers, Inc.

Retailers must be "lifters", equipping themselves to meet new conditions, remarked Raymond Roe, president of Canisteo Appliance Co.

Four requirements for successful operation listed by Stanley Mills, manager, J. C. Penney Co., Hornell store, are: selling organization at all levels, balanced stocks and correct assortment at the right season, modern record-keeping methods, and evaluation of the entire operation of competitors.

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¶ ASKING businessmen and labor to help the Federal Reserve System in its efforts to maintain price stability, Alfred Hayes, president of the FR bank of New York, warns that "the seeds of renewed upward pressures are clearly visible and cannot be ignored."

Four types of "seeds" of inflation cited by Mr. Hayes, in addressing the New York State Bankers Association, are: (1) increased liquidity in the economy, (2) continuing threat of additional upward adjustments of prices, (3) the difficulty of returning the national budget to balance, and (4) the inflation psychology which has brought apprehension abroad as to the dollar's stability.

¶ WORLD CONSUMPTION of natural rubber ran ahead of production in the first 11 months of 1958, as production decreased by 67,500 tons from the output for the period in 1957, says the department of commerce. Production last November, however, rose 12,500 tons above the figure for the like month in 1957.

¶ "SOMETHING will have to be done" if the nation refuses to discipline itself against inflation, but adoption of wage and price controls would not be the way, President Eisenhower told his news conference. "What I am trying to prevent," the President said, is muzzling the free economy by a control system.

The Administration's campaign for price stability includes warnings against excessive increases of wages and prices, education of the public on the dangers of inflation, and urgings that Congress accept his program for a balanced budget.

¶ AMENDMENT of the Robinson-Patman Act for mandatory provision that sellers make available to all customers the favorable terms offered to one, will again be sought of Congress, says Rep. Wright Patman (D., Texas).

The law, which requires sellers to offer equitable terms to all buyers, needs strengthening, its co-author told members of the National Coat and Suit Industry Recovery Board, meeting at Miami Beach. The board presented an Award of Merit to Mr. Patman for his "key role in recognizing the problems of small business and in seeking to aid in their solution."

¶ WHILE new "cash" type savings dropped a bit in the third quarter last year from the preceding quarter, the total for the first nine months was greater than for any full year since World War II ended, says the Federal Home Loan Bank.

The third quarter "cash" savings were \$3.887 billions, more than the total \$2,479 billions of the same period in 1957, but under the \$4.828 billions of the second quarter in 1958.

¶ LEGISLATION for a new wheat program will be sought in the new Congress by farm legislature leaders in the House who were called to a "summit conference" by H. D. Cooley (Dem., N. C.), agriculture committee chairman. The conferees did not come up with a specific program to solve the huge wheat surplus, but they did agree for the most part not to interfere this year with current programs for other major commodities.

Mr. Cooley reported his belief that all the groups except the American Farm Bureau Federation were near agreement on some form of two-price system for wheat. Last session the House committee approved a two-price plan under which wheat producers would have received high supports for that part of their crop estimated for domestic consumption, the remainder to be unsupported and free to move for export at world prices. The bill did not pass.

Meanwhile Ezra Benson, secretary of agriculture, hinting he would prefer dropping the parity formula for setting farm price supports, said he was in favor of the unanimous recommendation of his national advisory commission that the Government act "as rapidly as possible" to get away from the parity concept and move toward a system of supports pegged upon average market prices received by farmers in previous years. A beginning comes this year with the 1959 corn crop to be supported at 90 per cent of the average market price of the last three years.

¶ LEGISLATION to require large corporations to give advance notice of proposed price increases to Government and Congress will be pushed in the new Congress, declared Senator J. C. O'Mahoney (Dem., Wyo.), member of the Senate-House economic committee, at a hearing on the problems of inflation.

This is not news to Washington. Ten years ago he first introduced the measure which would require "those corporations which carry on more than 50 per cent of all the nation's business" in commodities the American consumers need and use "to notify the commerce department six months before price increases would take effect."

¶ AMENDMENT of the Fair Labor Standards Act to give the secretary of labor "the authority, without written permission from the employee, to recover unpaid wages illegally withheld from him", will be sought of the new Congress by James P. Mitchell.

The labor secretary said his department will increase by 50 per cent the number of investigators of violations of the wage-hour law. In calling for the new amendment, he pointed out that only 60 per cent of underpayments are refunded, because the workers are afraid of offending their employers.

## Small Business Investment Firms (Concluded from page 10)

bank had better have a strong correspondent to call upon.

Too much red tape.

Opens door to too much Government in business and banking.

Some questioned the adequacy of enough investors to provide private capital to do the job, so then Government would be called upon at first to help out, then maybe later to match funds, and still later to take over.

Most felt there already was a real shortage of capable management for the SBIC type of business, so SBIC might get poor management or create a drain on bank management and others.

Some believe convertible debentures open the door for unwilling dilution of ownership.

SBA indicates a leaning toward private financing of SBIC. This may start a clamor from the "Matching Funds Group" and Congress may listen to them, thus definitely building Government into SBIC.

Others wonder what will happen when the borrower outgrows the SBIC with which it is dealing.

Some say SBIC agreements could hamstring normal credit functions if drawn by incapable individuals.

### Questions Raised by Rathbun

Who asked for SBIC? Not small business itself. Small businesses want loans, not equity capital. They resist dilution of ownership.

There are more investors looking for small businesses than small businesses looking for investment funds. Small businesses need capital but they think they need only working capital.

It is questionable whether much equity money will flow from SBIC to small businesses in the next 12 to 24 months (as of January). California, for example, would not need SBIC proportionately to other states,

*Never speak ill of yourself; others will always say enough on that subject.*

—N. A. Rombe

in that its commercial banking facilities are larger, of a statewide nature and do a good job as compared with small unit banks in other areas.

Successful operation of a small business investment company requires top flight personnel, adequate capitalization and dedicated service. The prime motivation cannot be profit or tax write-off.

### Inventory Field Report Is Good Area for Photography

Another example of successful office photography techniques, which was the subject of a feature article in CREDIT AND FINANCIAL MANAGEMENT December '58, p. 22, is related to us by S. Kreger, credit manager, Rolled Steel Corporation, Skokie, Ill. The problem had been: to keep the company's widely-based salesmen informed about materials in stock at the main warehouse.

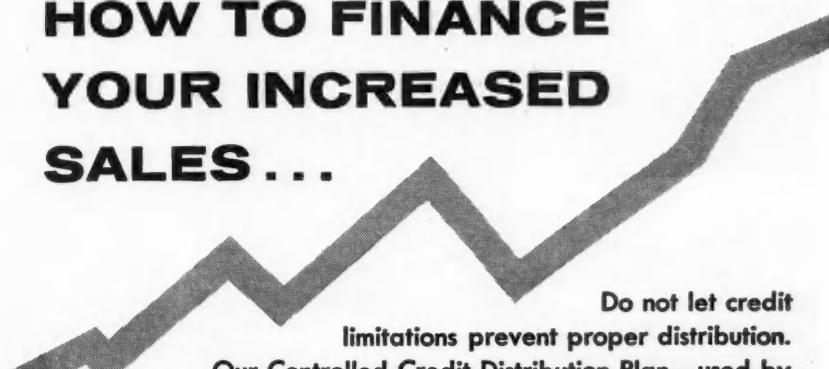
"At the main Skokie warehouse," notes Mr. Kreger, "Rolled Steel's 122-foot long chalkboard is the focus of activity for the Skokie telephone sales staff, provides a running inventory for salesmen as all incom-

ing stock is recorded on the board as it arrives at the plant. Sales made are erased from the board by the salesman making the sale. The board consists of over a thousand individual entries and requires the fulltime service of one employee.

"We found it took two full days to transcribe this information by hand, for transmittal to our salesmen in Houston, Minneapolis, Salt Lake City. In addition to its being a timeconsuming and unwieldy procedure, the reports would arrive too late to be of much value. Now through the simple application of the camera and the mails, branch offices obtain the same accurate information available at the home office in quickest possible time.

"It is standard practice for a Rolled Steel staffer equipped with a 2 1/4" by 3 1/4" sheet film camera to take shots of the 'big board' on Friday afternoons. Prints are developed in the company's own darkroom and airmailed to out-of-state salesmen. By Monday morning the complete Skokie inventory is in the hands of salesmen 1,000 miles away."

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Photo by Mottar

## Which is The Chase Manhattan Man?

### *Who are they?*

One is a local banker, the other is the man from Chase Manhattan. Hard to tell them apart, isn't it? They're similar in a lot of ways—in their interests, their outlook and the work they do.

### *What are they doing?*

Solving a problem together. In this case, *a loan for business*. Very often, banks have requests for credit which they do not wish to handle alone. That's where correspondent banking comes in—and Chase Manhattan is *the banker's bank*. As a correspondent, you can call on Chase Manhattan just as if it were an extension of your own bank.

### *How do you fit in?*

Frequently our banking friends ask us to participate in loan situations which they have developed. Sometimes, as a matter of policy, they prefer to spread their loan portfolios. Then there are occasions when they're approaching their legal limit. When you need help—"Talk to the people at Chase Manhattan"—you automatically add the specialized facilities and resources of a worldwide bank to yours.

### *How can we help?*

As America grows, the need for correspondent bank facilities grows. The next time you are confronted with a problem that requires a working partner, we hope you will call on your man from Chase Manhattan. It's a friendly way to work—and resultful.

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# Guides to Improve Executive Operation

## KEEPING INFORMED

### WHOLE STORY OF AMERICAN BANK

CHECKS and Their Effect on Banking—booklet written by Lester A. Pratt traces methods used by American banks to process checks beginning with first chartered U.S. bank in 1782. For free copy, write Cummins-Chicago Corp., 4740 North Ravenswood, Chicago 40, Ill.

**WHY COMPANIES GROW**—Report on results to date of a continuing study since 1955 by Stanford Research Institute. Noted are eight standards generally applied by the corporate investor. Four significant qualities of leading sales-growth companies are observed. For copy of report, write Stanford Research Institute, Menlo Park, Calif.

**DECISION-MAKING, An Annotated Bibliography**—Prepared under a grant from the McKinsey Foundation, by Paul Wasserman with Fred Silander, the list of writings on this important subject range from psychological and ethical considerations to communications and statistics, from the general to the specific. 111 pages. Price \$3.50. Available from Graduate School of Business and Public Administration, Cornell University, Ithaca, N. Y.

**PIONEERING NEW HORIZONS IN POWER**—40-page booklet by consultants to industry and atomic power plant engineers, describes their services in engineering, financing, operations management. Write on your letterhead to Pioneer Service & Engineering Co., 231 S. La Salle St., Chicago, Ill.

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*To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N. Y.*

## EFFICIENCY TIPS

744—Features of automatic internal telephone systems for large and small business are described in free literature of Tele-Norm Corp.

745—Catalog illustrating Secretarial Posture Chair and other Stylex chairs is offered by Stylex Seating Co.

746—Bell System Credit Cards, Skip-Stop sales plan, Sequence long-distance calling and other business services of telephone company are described in a leaflet available from your local Bell System telephone office.

747—“Automation Labelation,” brochure of Allen Hollander Co., for companies using pin feed typewriters, business machines and IDP equipment, is offered with test samples of marginally punched pin feed labels.

748—Plastic card holders and card rack installation used in bin systems for inventory control purposes are described in a leaflet of Cowan Boyden Corp.

749—“Tract-a-File” catalog 101 illustrates line of movable file cabinets which may be had with or without doors, from Ramsey Co.

750—Brochure showing “Modern Management Group” of coordinated, colorful design executive furniture of Herman Miller Furniture Co. is available free.

751—Facts about dehumidification for plants, warehouses, stockrooms, is title of bulletin #512 of Abbeon Supply Co. which answers ten commonly asked questions about the subject, lists equipment.

## BOOK REVIEWS

**CASES IN MANAGEMENT**—By Henry M. Cruickshank and Keith Davis. \$5.40. Richard D. Irwin, Inc., Homewood, Ill.

• Nearly 100 “cases,” on almost as many different phases of management and diversified businesses provide stimulating ideas and answers to student or executive. The range covers from a large manufacturing plant to a store with less than five employees, as well as the multiplant corporation, proprietorship, partnership, from policy making to labor and human relations, technical problems and principles of management. Equally valuable to executive, student or instructor.

**CONSTRUCTION ACCOUNTING AND FINANCIAL MANAGEMENT**—By William E. Coombs. 490 pages. \$12.85. F. W. Dodge Corp., 119 West 40th St., New York 18, N. Y.

• The author—attorney, CPA and controller—directs his comprehensive compilation and discussion of financial control to banker, bondsman, lawyer and student, but primarily to the individual contractor. Many forms are included, also three appendices.

Among the many topics covered are basic accounting patterns and accounting for labor, materials and supplies, equipment and subcontract costs, overhead, income and cash receipts, and insurance problems and job accounting.

## ALSO RECOMMENDED

**THE INSURANCE ALMANAC—1958** (46th annual) edition; 1056 pages. Valuable reference book of factual and statistical information on all branches of insurance. Company section gives officers, coverages, and territory of all types of companies. Other sections include state insurance departments, new companies, all types of insurance organizations, definitions, indexed for ready reference. \$7.50 plus postage. Underwriter Printing & Publishing Co., 116 John St., New York 38, N. Y.

*Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.*

# ON THE Personal Side

GORDON E. HELMSTETTER has become credit manager, The Sound-Scriber Corporation, New Haven, Conn., manufacturer of dictating and recording equipment. Mr. Helmstetter's career in credits embraces eight years with Dun & Bradstreet as service manager in Springfield, Mass., and Hartford, Conn., interrupted by three years' service overseas as sergeant investigator with the Military Police. Since 1952 he held the unusual post of credit manager of Resolute Insurance Company, Hartford. Former member Hartford Association of Credit Management, he now is a member of the New Haven Association of Credit Men. He has attended the NACM Graduate School of Credit and Financial Management, Dartmouth.

KENNETH H. GRIFFITH, formerly credit representative, has been advanced to assistant manager of credits, Jones & Laughlin Steel Corporation Stainless and Strip Division, at Detroit. He began with J&L in 1949 in the order department at Pittsburgh headquarters, following graduation from Slippery Rock (Pa.) State Teachers College. He served as correspondent in sales before assignment to the credit department in 1951.

E. B. SMART has been advanced to general credit manager, The Cudahy Packing Company, Omaha, to succeed Leon W. Murphy. Mr. Smart began with the company in 1947 as credit manager of the subsidiary American Salt Corporation, following associations with Crawford Manufacturing Co. and Good-year Tire & Rubber Co., in Kansas City. He was assigned to Cudahy plants at Kansas City and Omaha prior to becoming assistant general credit manager in 1951. Mr. Smart holds the Fellow Award of the National Institute of Credit (1955), is chairman educational committee, Omaha Association of Credit Men, member National Packers Credit

Group, president of his civic organization, and assistant commandant, Omaha U. S. Army Reserve School.

LEON W. MURPHY, formerly Cudahy general credit manager, steps up to manager of oil, shortening and margarine operations, and to president of the American Salt Corporation, also headquartered in Omaha.

FRANK J. ROSS has advanced from assistant general credit manager to general credit manager, Sears, Roebuck & Company, Chicago. He succeeds Irwin E. Joseph, who retired following 44 years with the company, serving over three decades of that period as general credit manager.

Mr. Ross's career, begun with Sears in Los Angeles in 1936, has been almost completely in credit and collections. He was territorial credit and collection manager of Sears Pacific Coast territory before going to Chicago headquarters in 1955.

HARRY E. GREEN, who began as a clerk at the Greencastle, Ind., plant in 1925, has become vice president and treasurer, Lone Star Cement Corporation, New York, N. Y. Following accounting assignments in New York and Indiana, annual promotions followed—to assistant treasurer 1954, controller 1955, treasurer 1956. Mr. Green is active in the Cement Credit Division, NACM.

GEORGE B. MORAN, since 1951 vice president, The Hanover Bank, New York City, and recently named manager of the Rockefeller Plaza branch, has been active in banking and trade credit circles from inception of his banking career upon graduation from Holy Cross College in 1933. He began with The Hanover in 1946 as assistant secretary. Mr. Moran is a member New York Credit & Financial Management Association, Toppers Credit Club and Credit Men's Fraternity, and he is a direc-



G. E. HELMSTETTER



K. H. GRIFFITH



E. B. SMART



F. J. ROSS



G. B. MORAN



H. E. GREEN

tor of Hat Corporation of America. In World War II he rose from U. S. Air Force private to lieutenant colonel.

WINSTON S. McADOO has been appointed financial projects specialist, Montgomery Ward & Company, Chicago, stepping into the post vacated by Andrew Lamb, who became treasurer of the company last September. Mr. McAdoo earlier had been vice president and treasurer of George Getz Corporation, Chicago, and of Tru-Ade, Inc.

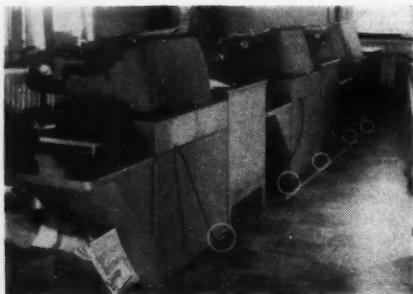
MYRON V. JACOBS has been named treasurer, Kordite Corporation, Maccodon, N. Y. Kordite is a wholly owned subsidiary of National Distillers & Chemical Corporation.

L. H. NEEDHAM, JR. has advanced to credit manager, Industrial Rayon Corporation, Cleveland. He joined the company's accounting staff in 1956 and has been in credit since 1957. He is a member of Cleveland Association of Credit Men, New York Credit & Financial Management Association, the Fiber Producers' Credit Association, Inc.

# Modernizing the Office

## New Equipment to Speed Production and Reduce Costs

### Control Vibration, Creep



570 As offices expand use of mechanical equipment UNISORB Vibration Control Pads of The Felters Company are finding increased application. For use under medium-duty office machines and plant equipment, such as key punch computers, checkwriters, card sorting machines, bookkeeping machines, to reduce transmitted vibration and noise level, Unisorb pad may be used in "free" mounting position or with special Unisorb cement where sliding or creeping is a problem. Device protects tile floors and carpeting, says manufacturer. Additional details in free booklet, "How to Mount Machinery on Unisorb."

### Compact Recorder

571 Lightweight GBC STENOMASTER Dictating and Transcribing Tape Recorder (weight only 10 lbs.) is a complete business correspondence unit, useful as well for recording of conferences, sales call reports, depositions and two-way phone conversations. Stenomaster records on 3½" reels of reusable magnetic tape more than two hours of dictating or listening, says distributor GBC

America Corporation. Automatic microphone, standard equipment, has full fingertip control for dictating, playback, corrections, start, stop. Of Italian-make, Stenomaster can play back from built-in loudspeaker system or through dual earphone headset.

### Easy-Tote Storage File

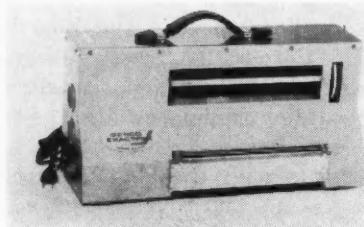


572 CONVOY Tote Transfer Files, though light in weight, are made of heavy-duty corrugated "Chem-Board" which is chemically impregnated to achieve a superior degree of strength. Hand hole at rear of drawer makes for easy handling, especially helpful when drawer is filled at transfer time. Files have smooth exterior, are impervious to dampness, says the manufacturer, Convoy, Inc. Convoy's, one of a line of 15 different files, are sold assembled and ready for use.



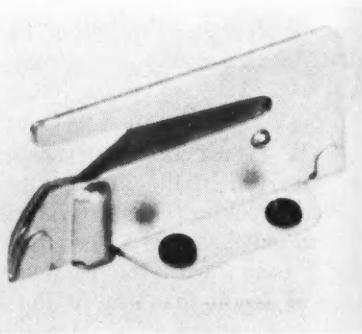
*This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.*

### Copies Anyone?



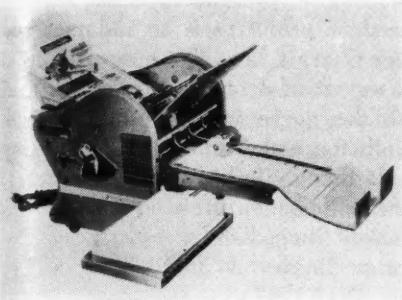
573 Equipped with a carrying handle, for use whenever and wherever needed, the GENCO PORTA-FAX Automatic Copying Machine plugs in anywhere for speedy automatic printing of sharp copies, at rate of 60-90 copies per hour, notes manufacturer, General Photo Products Co. Inc. Unit weighing 18 pounds handles sheets up to 9½" wide, of any length, and reproduces from all colors and ball-point pen. Copies are opaque black on pure white. Other features: two copies may be produced from one negative; transparencies can be made for use with Diazo. Of all-steel construction, unit is easily operated by any office worker.

### Rope Cutter



574 New safety model TWINE CUTTER of Flash Manufacturing Company may be mounted on a bench in any position. Operator cannot cut his fingers against the sharp edge of the blade, notes maker. By merely pulling any twine, rope or cord through the V-shaped opening, the spring action blade cuts the twine or rope safely. Literature, sample on request.

## Heavy-Duty Folding Unit



575 Completely automatic, heavy-duty FOLD-O-MATIC Folding Machine of Print-O-Matic Company, Inc., the Model FH-5HD for large-volume mailers embodies new type features which deliver up to 120 folded sheets or sets per minute in any of eight popular folds. Unit handles sheets from 4x4" to 9x14", singly or in stapled sets up to six sheets. Portable work and jogging table is standard equipment. Measuring only 32x14" when fully set up, snap-in, snap-out conveyor and stacking tray permit compact storage in space only 18x14".

## "No Snoop" Intercom

576 MASCO Add-a-Call 6-station Master Intercom unit of Mark Simpson Manufacturing Company can be operated for Master-to-Remote or Remote-to-Remote installations. Various combinations are possible. Remotes have a "No Snoop" feature that can cut themselves out of the system at will. Flush wall mounting,

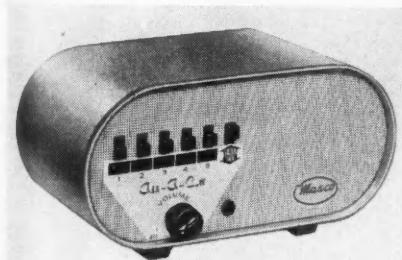


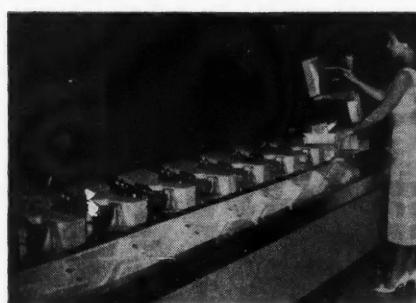
table type or door Remotes can be used. System operates from 117 volts, 50/60 cycles AC as well as DC, and requires only 30 watts of power, notes maker.

**The trouble with opportunity is that it always comes disguised as hard work.**

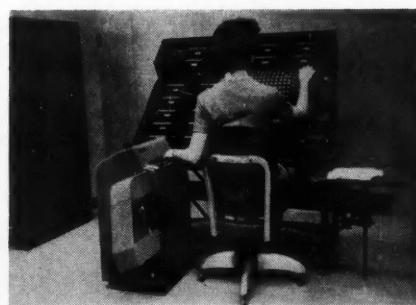
—H. V. Prochnow

## These Machines Speak the Same Language

577 National Cash Register Company's family of bank machines, designed to conform with American Bankers Association-approved "E-13-B" Common Machine Language for Check Handling, marks latest advances on road toward eventual full automation of banking operations.



**Pitney-Bowes/NCR Magnetic Character Sorter**—*for automatically sorting magnetically encoded media which meet ABA E-13-B specifications. Developed jointly by Pitney-Bowes, National Cash Register and General Electric, machine sorts intermixed media at rate of 750 items per min., regardless of varying lengths, widths and thickness. Its operation is said to be extremely simple. Each stacker of twelve compartments can hold 1200-1500 items.*



**Magnetic Amount Printer**—*for magnetic imprinting of amounts on checks, deposits, other media as items are being proved. Imprinting amounts on media as a byproduct of the proof procedure eliminates any need for rehandling items to obtain magnetic impressions. This unit can be used with any National Class 2000 Proof Machine in use today with slight modification of the latter, NCR points out.*



**Magnetic Qualification Printer**—*for magnetic imprinting of media with the account number or ABA numbers*

*and Federal Reserve routing symbol, in ABA-approved Arabic font. Zero printing is automatic, as are hyphen printing and printing of the account number symbol. Repeat key permits any desired number of items to be similarly imprinted merely by inserting them into the printing table.*



**Automatic Ledger Feeder**—*for automating trial balances and balance transfers with the Post-Tronic.\* When "Automatic Feed" switch is depressed, each card is individually, consecutively and automatically fed into the Post-Tronic. Post-Tronic reads balance, prints amount on journal and returns record to feeder. Accounts with "good" and accounts with overdraft balances may be sorted and stacked in separate compartments in the feeder as they are returned.*

\*National Cash Register's Post-Tronic for electronic posting of checking account records spearheaded the company's bank automation program, and there are now some 3,500 Post-Tronic units in use.

## \$4.7 Billions of "Ghost" Roads Diverted to Non-Highway Use

Phenomena of the last quarter century are the "ghost" roads of America, roads that the highway users paid for in gasoline taxes and motor vehicle fees diverted to non-highway functions of government, says *Tax Economics Bulletin*.

In 23 years ended with 1957, more than \$4.7 billions of highway user tax money collected by the states vanished into other governmental activities, and this translates into 148,000 miles of improved roads lost—the nation's "ghost" roads.

In the period, state highway departments built or improved 860,000 miles of roads. In other words, says the *Bulletin*, for every six miles of roads built or improved, one mile was lost to tax diversion.

## Legal Rulings and Opinions

### Ruling on Section 70-c

Section 70-c of The Bankruptcy Act deprives defrauded creditors of rights they were believed to have under Section 2-702 of Pennsylvania's Uniform Commercial Code, Referee Bertram K. Wolfe ruled, in Philadelphia.

Section 2-702 has been thought to give a vendor the right to void a sale on credit and recapture his goods if he discovers within 10 days after the transaction that the buyer was insolvent or used fraudulent means to obtain the goods.

Seller's rights, it was stated, are subject to those of a creditor who has placed a lien on the goods after their delivery, and/or those of an innocent purchaser who was unaware of insolvency or fraud.

But if bankruptcy proceedings are filed against the buyer within the 10-day period and his trustee obtains possession of the goods after delivery, the trustee, under Section 70-c, the referee held, becomes a lien creditor with rights superior to those of the defrauded creditor.

The ruling, which presently applies only to the Philadelphia district but could become a nationwide precedent if sustained by the higher Federal courts, was made in the bankruptcy case of Harry Kravitz and Jacob Rovner, who traded as Lincoln Tire Co., area four-store home furnishings discount chain.

Referee Wolfe rejected a claim by Wilcox-Gay Corp., Brooklyn, N. Y., to the entire bankruptcy sale proceeds of \$20,967 for radio-phonographs it sold to Kravitz and Rovner Jan. 17, 1958, three days before they and their firm were petitioned into bankruptcy. He allowed it as a general unsecured claim.

Edward Cohen, Philadelphia, and Arthur J. Romans, New York, attorneys for Wilcox-Gay, filed notice of appeal to Federal court to set aside the referee's ruling.

Morris Wexler, of Wexler, Mulder & Weisman, represented Norman Klauder, trustee.

### Indorser's Non-Discharge

Only if the maker of the instrument is a Georgia resident, and his county of residence alleged, is there effective application of the state statute providing that any surety, guarantor or indorser at any time after the debt on which he is liable becomes due may give notice in writing to the creditor, who will proceed to collect the debt from the principal, and if the creditor refuses or fails to commence the action within three months after such notice, the indorser, guarantor or surety shall be discharged.

The state supreme court so ruled in an action brought by a Georgia lumber company against an Illinois building corporation and its president on a promissory note which the president had signed on the back.

The defendant claimed that he was a guarantor rather than an indorser but the court stated that a person

signing a promissory note on the back is *prima facie* an indorser under Georgia law. The note contained a waiver of demand and protest, and so the payee was permitted to sue both the maker and indorser in one suit though it had failed to act on the indorser's direction to sue the maker immediately. *Glasser v. Decatur Lumber & Supply Co.* 99 S.E. 2d 330 (1957).

### Relationship with Bank

Debtor-creditor relationship ended on the day the decedent died, and the money was not owed to the joint account but became the property of decedent's estate, an appellate court in California ruled in a case in which the death occurred between the time the decedent had ordered transfer of funds from one bank to another and the time the credit entry was made in the recipient bank's ledger. The depositor died January 23; the entry was made January 27. Both the surviving joint depositor and the deceased depositor's executor had claimed the funds that had been transferred to the joint account.

The appellate court reversed the lower court which had found in favor of the joint depositor.



**CLARK R. GITTINGS** (seated left), new president of the Rocky Mountain Association of Credit Men in Denver, receives the gavel from **Ralph V. Peoples**, retiring executive. Mr. Gittings is president Gittings Lumber Co., Inc.; Mr. Peoples, division credit manager Continental Oil Co., both of Denver.

Looking on (l to r) are: **Charles K. Crews**, treasurer Thompson Pipe and Steel Co.; **Mrs. Alta Sethaler**, credit manager Central Electric Supply Co., and **Neil Shaw**, credit manager Schlumberger Well Surveying Corp. **Mrs. Sethaler**, association treasurer, is vice chairman of the National Credit Women's Executive Committee. Mr. Crews and Mr. Shaw are new directors. Not shown: **David A. Cluster**, general manager Park Elitch Co., new director, and **George Spilane**, credit manager Beatrice Foods Co., association vice president. **James B. McKelvy** was re-elected secretary-manager.

## Electrical Industry Looking Up, Editor-Publisher Tells Group

The electrical industry, in its comeback from the recent recession, will move upward gradually but steadily



FISCHER BLACK

this year, Fischer Black, editor-publisher of *Electrical World*, told members of the National Electrical Manufacturers New York Group of the National Association of

Credit Management. Mr. Black based his forecast on data compiled by the publication's market research unit.

In the ensuing roundtable discussion, with Mr. Black as moderator, members recounted their companies' recent experiences in sales and collections. The consensus was that collections should improve this year; sales are up, with customers beginning to buy more to build up stock supply; and no immediate price increases are indicated.

## Workshop Demonstration in Boston Is Attended by 100

More than 100 members of the New England Association of Credit Executives, Inc., braved a snow-storm to attend a dinner meeting highlighted by a Workshop demonstration by William P. Layton, director of education, National Association of Credit Management, and credit executives of four diversified businesses and industries in Boston area. They were Harley T. Blake, credit manager, E. Van Noorden Co.; Thomas J. Brown, credit manager, Gulf Oil Corporation; Harvey M. Lewis, loan officer, The First National Bank of Boston; and Millard A. Lovejoy, credit manager, Draper Corporation. Raymond Coyle, president of the New England association, presided.

"Customer Counseling" was the subject of a rapid-fire discussion, followed by a question-and-answer period. The speakers showed that customer counseling can lead to solution of many problems in credit collections and financing. The topic was discussed in several phases: What is customer counseling? When and how do you counsel customers on objectives? Who in your organization is responsible?

## William H. Pouch Gave Signal Service To NACM, Education, War on Crooks

The death of William H. Pouch, 84, chairman of the board of Concrete Steel Company, New York, which he had founded in 1907, closed a milestone chapter in the history of credit organization and the National Association of Credit Management.

Election of William Pouch as president of National at the 31st annual convention, in 1926 in New York, was a recognition of the multiple services he already had contributed to Credit.

At the Credit Congress the previous year, in Washington, a silver cup had been presented to him as chairman of the general executive committee of National Fund for Credit Protection, which had raised more than one million dollars in a campaign of the association to drive commercial crooks out of business.

### Credit Women Officially Recognized

At the Washington convention Mr. Pouch, on election as Eastern Division vice president, bespoke his active interest in the National Institute of Credit. In his presidency he did much to expand the educational aspects of the association's activities. In his term of office credit women and Credit Women's Groups were given official recognition.

Born in Brooklyn in 1875, William Henry Pouch was graduated from Sheffield Scientific School at Yale. He went with the Newburgh (N.Y.) Electric Railway Company, reorganized it seven years later, then became vice president and general manager of the Orange County Traction Company.

In 1907 he left Newburgh to become treasurer of Concrete Steel Company. Interested in mercantile credits, he took a course in the Brooklyn Y.M.C.A. Among the instructors was J. Harry Tregoe, who after two terms as National's president, became executive manager in 1911.

### New York Association's Head

Joining the New York Credit & Financial Management Association, Mr. Pouch was its president 1924-26.

In World War I he was for seven months business manager of the Par-

is headquarters of the Y.M.C.A. Under Mayor James Walker of New York he served on the city planning and survey committee. For 30 years he was a leader in the Boy Scout movement, and his gifts made possible the William H. Pouch Camp near New Dorp, Staten Island.

He was a trustee of Empire City Savings Bank, a director of American Dock Company, member of the advisory board of Chemical Corn Exchange Bank, president of Pouch Terminal, Inc., and treasurer of the Protestant Council of New York.

Surviving are his wife, Helena, and a sister, Mrs. Mabel Geis of Dunedin, Fla.

### T. A. Scalese

Thomas A. Scalese, assistant treasurer, office and credit manager of Charles Millar & Son Company, Binghamton, N.Y., had been with the company for 40 years. He was president of the Triple Cities Association of Credit Men 1944-45.

### George C. Bennett

George C. Bennett, assistant vice president in the auditing department of Bankers Trust Company, New York, died after extended illness. Mr. Bennett's entire career had been in bank insurance work.

### Three Scholarships Offered For NACM's Graduate School

The Motor and Equipment Manufacturers Association is offering experienced executives three one-year scholarships to NACM's Graduate School of Credit and Financial Management. The scholarships will be honored at either Dartmouth College or Stanford University and are open to members and non-members.

To apply, state in 250 words or less why you qualify for the award, and mail to:

Scholarship Committee  
Motor and Equipment Manufacturers Association  
250 West 57th St.  
New York 19, N. Y.

Awards will be announced at the Credit Congress in Dallas in May. For additional information address the Scholarship Committee.

# Program Completed, Panelists Named, Convention At Dallas Will Have EVERYTHING to Offer

WITH completion of the formal speaking program and the personnel of the panels on Monday afternoon and Thursday forenoon of convention week, the Sixty-Third Annual Credit Congress assures members of the National Association of Credit Management assembling in Dallas May 3 to 7 that they will carry home a wealth of fresh ideas to apply to their operations, both in credit department methods and procedures and in grasp of the overall economic developments and trends that modern credit management must have at fingertips.

Two nationally known speakers in widely diverse fields will address the convention at the Wednesday forenoon plenary session. They are

**Dr. William R. Conte, chief, In-Patient Psychiatric Service, Woodlawn Psychiatric Hospital, Dallas, and**

**William A. Blakley, rancher, industrialist, banker, and former U.S. senator from Texas.**

Dr. Conte, whose topic will be "How To Be an Executive and Live", has contributed articles and reports to many national and sectional publications. He is associate professor of psychiatry, University of Texas Southwestern Medical School, Dallas;

medical director at Woodlawn Psychiatric Hospital; consultant in psychiatry, Terrell (Texas) State Hospital; and chairman, advisory committee to the School of Occupational Therapy, Texas State College for Women, Denton.

Graduate of the University of Wichita, Mr. Conte received his M.D. degree from Vanderbilt University School of Medicine, served on rotating internship at Pennsylvania Hospital in Philadelphia, was associate chief of psychiatric service at Veterans Administration Hospital in Wichita, resident in psychiatry at Colorado State Hospital, and resident in psychiatry at University of Colorado School of Medicine.

## NOTICE

### TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC.:

You are hereby notified that the Annual Credit Congress, Convention and Meeting of the members of the National Association of Credit Management, Inc., will be held at the Statler-Hilton Hotel, in the City of Dallas, Texas, from May 3 to May 7, 1959, inclusive, and that at the session thereof to be held on May 4, 1959, at 3:45 o'clock P.M., the following resolution proposed by the Board of Directors will be presented for consideration and adoption:

**"Resolved that effective July 1, 1959, the first sentence of Article IV, Section 1, of the By-laws be amended to read as follows:**

**"Each affiliated association shall pay to this Association dues at the rate of \$12.00 per annum for each member of such affiliated association."**

and there will also come before said meeting such other business as may be lawfully transacted.

Dated: February 24, 1959.

*Philip J. Gray, Secretary*

By order of the Board of Directors.

William A. Blakley, attorney and certified public accountant, was appointed to the United States Senate from Texas in 1957 to fill the vacancy created by the resignation of Price Daniel, now governor.

Mr. Blakley's many interests include ranching and farming, oil production, real estate and insurance. His major current project is Exchange Park.

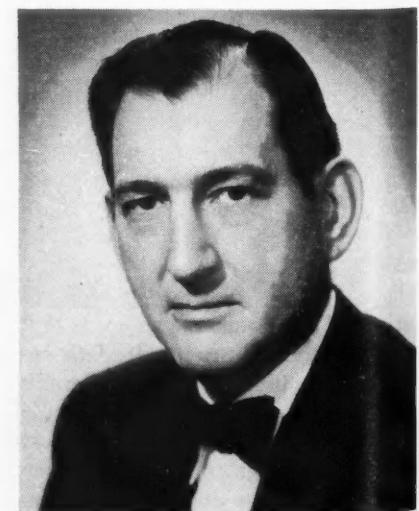
Member of the Dallas, State and American Bar Associations, Mr. Blakley is a trustee of Southwestern Legal Foundation; Southwestern Medical Foundation; a sponsor of the Law Institute of the Americas (international graduate law school at Southern Methodist University); a director and executive chairman of Braniff International Airways; founder and chairman of the Board of Exchange Bank and Trust Company.

An outstanding panel discussion will be on "Insurance as Additional Credit Security," a subject of vital importance to credit operation.

The panel presentation by insurance buyers will be a highlight of the plenary session on Monday afternoon, May 4th (not Wednesday, as stated in the March issue). With ORVILLE B. TEARNEY, manager of corporate insurance and credits, Inland Steel Company, Chicago, as moderator, steps and procedures to



**Dr. W. R. Conte**



**William A. Blakley**

avoid the hazards and risks which can wreck a company will be discussed by these panelists:

THOMAS F. GLAVEY, vice president in charge of insurance department, The Chase Manhattan Bank, New York, and

J. J. DORGAN, treasurer, Continental Oil Company, Houston;

BERTEL E. JONSON, assistant to the treasurer, Hunt Foods, Inc., Fullerton, Calif.

#### Thursday's Panel on Training

Training and credit personnel development will be the theme of the panelists on Thursday forenoon, headed by K. CALVIN SOMMER, treasurer, Youngstown Sheet and Tube Company. Members of the panel are:

ROBERT M. GARDINEER, assistant to the general credit manager, Continental Can Company, New York;

OSCAR W. HARIGEL, vice president, Houston National Bank;

RAYMOND T. CUSTER, New England district financial manager, Graybar Electric Company, Boston, and

J. HOMER HILF, district credit manager, Aluminum Company of America, Chicago.

Biographic sketches of Mr. Tearney and Mr. Sommer appeared in March CFM.

#### More About the Panelists

John J. Dorgan joined Continental Oil Company in 1948 at Ponca City, Okla., transferred to Houston, and after war service returned in 1952 as assistant to the president. After periods in Denver and Casper, Wyo., he was promoted to director of credit and insurance two years ago.

Thomas F. Glavey, graduate of

## PANEL OF INSURANCE BUYERS



O. B. TEARNEY



T. F. GLAVEY



J. J. DORGAN



B. E. JONSON

St. Johns University, Brooklyn, entered the service of The Chase Manhattan Bank (then Chase Bank) in 1929 and was assigned to the insurance department in 1940. He was named assistant cashier in 1946, assistant vice president 1951, and vice president at the beginning of 1957.

As assistant to the treasurer of Hunt Foods, Inc., Fullerton, Calif., Bertel E. Jonson directs the customer credit programs of Hunt Foods and subsidiaries, Glass Containers Corporation and Nevada Silica Sands Corporation, and supervises all credit department operations. Graduate of the University of Illinois, Mr. Jonson practised law in Chicago three years, was with Glidden Company, first as manager of the industrial credit division, Chicago, and later as regional credit manager, San Francisco. He joined Hunt Foods in 1955, and attended NACM's Graduate School at Stanford University.

Personnel procurement and orientation will be the topic of Robert M. Gardineer on the Thursday panel. Mr. Gardineer, before joining Continental Can Company, had been secretary and associate director of NACM's Credit Research Founda-

tion, and associate director of the Graduate School, from which he received the Executive Award in 1953. He had begun his business career in banking, with Lahey, Fargo & Co., commercial paper brokers, New York.

Oscar Harigel's subject is off-the-job training—formal and personal (technical). Mr. Harigel, NACM director 1954-57, entered the staff of Houston National Bank in 1933, became credit department manager in 1946, assistant cashier 1948, assistant vice president 1951, and vice president in 1954.

Raymond T. Custer, graduate of St. Anselm College in 1937, is financial manager, New England district, Graybar Electric Company, with his headquarters in Boston. He attended NACM's Graduate School at Dartmouth in 1955. Mr. Custer's panel topic is general management training.

Self-improvement, human development and growth will be discussed by J. Homer Hilf, district credit manager of Aluminum Company of America. Mr. Hilf is a past director of The Chicago Association of Credit Men.

## ON "TRAINING AND CREDIT PERSONNEL DEVELOPMENT"



K. C. SOMMER



O. W. HARIGEL



R. M. GARDINEER



R. T. CUSTER



J. H. HILF

## *Diversified Program of Special Events Awaits Women at the Credit Congress*

IMPORTANCE of fun and relaxation as a buffer for the full business schedule of the convention is duly noted in the entertainment committee's many contributions to the well-rounded program.

The Credit Wives of Dallas will greet the ladies arriving on Sunday, May 3d, at the Hospitality Friendship House, Room 429, at the Statler-Hilton hotel. Here information will be instantly available regarding points of interest—educational, sartorial, recreational. The room will be open from 9 a.m. Sunday until Monday night.

A highlight Sunday will be a reception and tea, 3 to 5 p.m., by the Dallas Credit Women for all ladies attending the convention, and their husbands.

The Annual Business Luncheon of the Credit Women's Groups will be held on Monday in the Embassy Ballroom of the Statler-Hilton, in a western setting, with a gift for each lady attending.

Monday afternoon will come a bus tour of "Big D", with visits to such high spots as the Garden Center at Fair Park with its 1,800 varieties of roses in blossom, to beautiful hilltop Southern Methodist University, and along Turtle Creek boulevard flanked by the rows of azaleas in full bloom—and refreshments served along the way. For alternate entertainment a card party has been arranged.

Monday at 6:30 p.m. comes a banquet for wives of delegates, sponsor-



*Mrs. Herbert Emery*

ed by the Dallas Credit Women, with a full program featuring Mrs. Herbert (Frances) Emery, noted lecturer.

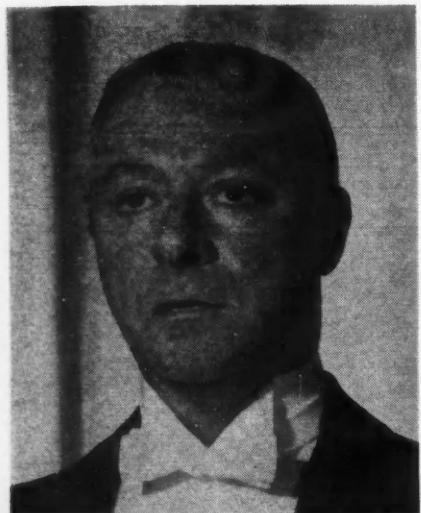
Combining world travel experience with dramatic and timely book reviewing, Mrs. Emery has appeared on platforms in many states and in Canada and Mexico. For three summers she has toured Europe, twice as conductress for the Arthur Train Travel Service.

Jan Garber and his orchestra, with daughter Janis among the soloists, will provide the music Monday at the President's Reception and Ball (9 P. M.).

On Tuesday, May 5th, the Credit Wives of Dallas will sponsor a luncheon in the grand ballroom of the Statler-Hilton. A fashion show will follow, staged by Neiman-Marcus, with gifts and door prizes.

George Jessel, 50 years in show business—playwright, producer, song composer, star of stage and motion picture, and celebrated toastmaster—will appear on the entertainment program Wednesday (9 P. M.) with eight other outstanding acts.

Georgie, who at 9 was singing in a theatre of New York's Harlem and at 14 had his own vaudeville act, rushed on to become a star of Broadway and night clubs, then turned to radio and television. He was "toastmaster general" to Presidents Roosevelt and Truman. In the last few years he has made innumerable speeches to aid Israel's democracy.



*George Jessel*

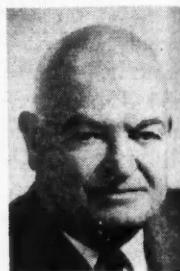


*JAN GARBER*

*JANIS GARBER*

### *A. C. Hopkins, 22 Years with Oregon Association, Retires*

Allan C. Hopkins, stepping out after 22 years as executive secretary of the Portland (Ore.) Association of Credit Men, was honored at a dinner of the association. He was accompanied by Mrs. Hopkins. During Mr. Hopkins' tenure, membership in the Portland association has more than doubled.



*A. C. HOPKINS*

Before he went with the association in 1937 Mr. Hopkins' business experience included managing the orchard and nursery interests of his family, a professorship at the University of Oregon, several years of newspaper experience, and executive secretary of the Oregon World War veterans' state aid commission. He is a graduate of Wharton school of finance, University of Pennsylvania, and in World War I he served actively under General Pershing as regimental adjutant, 364th Infantry. He is active in civic affairs and a member of Kiwanis. His present home is in Vancouver, Wash.

### **Women Honor Haider**

**A** TRIBUTE unique to credit men was accorded S. J. Haider, NACM vice president, when the Minneapolis Wholesale Credit Women's Club elected him honorary life member of their group.

Mr. Haider, NACM convention director and former secretary of Credit & Financial Management Association, Minneapolis, was a guest speaker on "Woman Power" at the Midwest Credit Women's Conference (CFM February issue).

The Minneapolis Tribune took cognizance of Mr. Haider's new honors with an article and picture in a recent issue.

# FINAL PROGRAMS OF INDUSTRY GROUPS' MEETINGS

DIFFERING in basic economic atmosphere from last year, when the recession was uppermost in business thinking, Industry Meeting Day at the 63rd Annual Credit Congress, in Dallas, will open on today's dominant note of the recovery and the expectation of gradual acceleration of that upward movement, plus the challenge of sharpened competition.

Analysis of the completed programs for the Industry Group Meetings on Tuesday, May 5th, shows that every phase of credit department operation will be discussed in the light of latest developments, both in formal addresses and in panels. Furthermore, open forums have been scheduled to permit the widest participation in questions from the floor. Plenary sessions are waived for the day.

Educators, jurists, Federal Government representatives and company executives will present forecasts, reviews and case-history experiences to the credit managers.

## Many Noted Speakers

Among the many guest speakers at Industry sessions will be such authorities as Charles E. Walker, vice president, and Philip E. Coldwell, director of research, Federal Reserve Bank, Dallas; Trent Root, vice president and controller, Dr. Sterling Wheeler, public relations director, and Dr. A. Q. Sartain, professor of psychology, all of Southern Methodist University; Judge Julian C. Hyer; Judge Elmore Whitehurst, referee in bankruptcy; C. J. Wagner, past president, Commercial Law League of America; Frederic J. Lanning, general manager, Motor and Equipment Manufacturers Association; Milton F. Brown, president, Dallas Clearing House Association; L. A. Jennings, U. S. deputy controller of the currency; Dr. Richard B. Johnson, coordinator, Southern Graduate School of Banking; Leo W. Allman, U. S. Department of Labor.

Following are the detailed programs of the Industry Group Meetings.

## Advertising Media

Forenoon session: Open forum. Discussion leaders and subjects: "Cooperation between the Advertising Department and Credit Department", G. W. Sites, credit manager, Los Angeles *Times*; "Advertising Agencies and Retail Accounts", W. F. Morgan, credit manager, Fort Worth *Star-Telegram*; "Co-Op Advertising", Thomas J. Adams, credit manager, *The Times-Picayune*, New Orleans; "Automation and the Credit and Billing Departments", W. B. Seidel, credit manager, *Times Herald* Printing Co., Dallas.

Afternoon talks: "Collections through the Courts", Arthur S. Alexander, Goldberg & Alexander, attorneys, Dallas; "Your Credit Association—What You Can Expect from It", M. L. Mitchell, NACM, Carolinas Unit, Inc., Charlotte.

Open forum. Discussion leaders and subjects: "Transient Advertising Problems", C. D. Scherer, credit manager, The Houston *Post*; "Transient Advertising Collections", L. F. Sullivan, credit manager, Des Moines *Register-Tribune*.



H. B. BRADEN



C. A. MOORE

## Automotive

Three formal presentations; two open forum and panel discussion periods.

Forenoon speakers: "Put It in Writing", James W. Marsteller, credit manager, The DeVilbiss Co., Toledo; "Your Association", G. Royal Neese, secretary-manager, NACM Cherokee Unit, Chattanooga.

Panel and open forum. Subject: "The Credit Merry-Go-Round—or, Where Do We Go From Here?" Moderator: H. B. Braden, American Gear & Parts Co., Dallas. Panel members and topics: (1) "Constructive Credit Department Assistance to Customers", George M. Russell, credit manager, Beard & Stone Electric Co., Dallas; (2) "Finance Plans for Merchandise and Equipment Sales", Mrs. Ellen Anderson, treasurer, Shields, Harper & Co., Oakland; (3) "Cash Discount—When to Allow", Mart Lopin, credit manager, Archenhold Automobile Supply Co., Fort Worth.

Afternoon speaker: "Are We Progressing Too Fast?", Frederic J. Lanning, general manager, Motor and Equipment Manufacturers Association, New York.

Panel and open forum on "What's Your Problem?" Moderator: Alvin H. Tanner, secretary, Hart's Automotive Parts Co., Chattanooga. Panel members: T. S. Rose,

assistant treasurer, Sealed Power Corp., Muskegon Heights, Mich.; Joseph Vallero, credit manager, National Auto Supply Co., East St. Louis, Ill.; Michael F. Delaney, manager credit department, Motor and Equipment Manufacturers Association, New York, N. Y. Subjects: (1) "Charging Interest on Overdue Accounts"; (2) "Revolving Charge Credit Plan"; (3) "Consignments and Ledger Balances"; (4) "Selling Marginal Accounts"; (5) "Helping Our Customers Stay in Business"; (6) "Using Salesmen as Collectors"; (7) "Maintaining Goodwill of Past and Future Customers"; (8) "Controlling Dollar Volume Accounts".

## Bankers

Forenoon speakers and subjects:

"Problems of Bankers Arising from Federal Tax Liens", George E. Ray, attorney, Ray & Hammonds, Dallas; (subject to be announced), L. A. Jennings, deputy controller of the currency, Washington, D. C.; "Oil Financing", Eugene McElvaney, senior vice president, First National Bank in Dallas.

Industry luncheon at 12:15 p.m. Toastmaster: Milton F. Brown, president, Dallas Clearing House Association, and president, Mercantile National Bank at Dallas. Guest speaker: Dr. Richard B. Johnson, coordinator, The Southern Graduate School of Banking, Southern Methodist University, Dallas. Subject: "The Manpower Problem in Banking".

Panel and open forum. Subject: "Some Aspects of General Contractor Financing". Moderator: James W. Keay, vice president, Republic National Bank of Dallas. Panelists: Allen Wight, attorney, Dallas; Clifford S. Nelson, second vice president, Continental Illinois National Bank & Trust Co., Chicago; James L. Goble, CPA, Peat, Marwick, Mitchell & Company, Dallas.

## Brewers, Distillers and Liquor Wholesalers

Forenoon addresses: "My Credit Association—What I Want from It", Oscar F. Christman, general credit manager, Falstaff Brewing Corp., St. Louis; "Services Available from Your Association", Fred L. Lozes, secretary-manager, New Orleans Credit Men's Association.

Open forum discussion and "brainstorming" session: (1) "Credit Conditions and Outlook in the Liquor Industry for 1959-60—How Can We Prepare for the Future?", (2) "Credit and Collection Correspondence—Should We Use Form Letters? Where Do We Get Our Ideas? How Often Do We Revise Letters?"; (3) "Customer Counseling—What Do We Mean By Counseling? What Are Advantages and Disadvantages of Counseling with Your Customers?"; (4) "The Credit Man of the Future—His Position with His Own Company . . . His Position as Compared with Other Professions."

Discussion leader: William Byrd Clark,

general credit manager, Hiram Walker Inc., Detroit.

Afternoon speakers: "Field Warehousing", Charles W. Rose, assistant vice president, Lawrence Warehouse Co., Chicago; "Data Processing and the Credit Man", Elgin Hill, manager accounts receivable, International Business Machines, Western Region, Dallas.

Open forum discussion. Leader: J. C. Codrington, credit manager, The House of Seagram's Inc., New York. Subject: "Integrated Data Processing and the Credit Department". Topics: (1) "Using Punched Cards for Accounts Receivable—Is a Ledgerless System Feasible in the Liquor Industry?—What about Credit History and Reporting Ledger Experience with Accounts?"; (2) "What Effect Does 'Mechanization' Have on the Extension of Credit?—Can Credit Limits Still Be Used?"; (3) "To What Extent Can Collection Procedure Be Made a Matter of Routine through the Use of Printed Notices, Form Letters, etc?"

#### Building Material and Construction

Morning session panel discussion: "Reasonable Retainage on Construction Contracts". Moderator: Glenn F. Ballard, Minnesota & Ontario Paper Co., Minneapolis, chairman, NACM Improved Construction Practices Committee.

Panel members and subjects: (1) "The Materialman's Viewpoint", W. W. Fowlkes, attorney, San Antonio, general counsel, Texas State-Wide Credit Group; (2) "The General Contractor's Viewpoint", J. G. Bartholomew, Bartholomew Contracting Co., Dallas; (3) "The Surety's Viewpoint", David Q. Cohen, Association of Casualty and Surety Companies, New York; (4) "The Architect's Viewpoint", David C. Baer, architect, American Institute of Architects, Houston.

Question and answer period on "Retainage". Discussion leader: Mr. Ballard.

Afternoon session, three sectional meetings: (1) Manufacturers and Fabricators. Group chairman: Jack M. Parrish, Concrete Pipe & Products Co., Richmond, Va. (2) Wholesalers and Jobbers. Group chairman: Clark R. Gittings, Gittings Lumber Co., Denver. (3) Dealers and Retailers. Group chairman: P. J. Goodnight, Buell & Company, Dallas.

Roundtable discussions of subjects of special interest or the following as time permits:

"Appraisal of Credit Risk", including estimate of value of Credit Interchange and Dun & Bradstreet reports. Importance of balance sheet, operating statement and bank reference in opening a new account. General conditions of contract and special provisions in specifications. Personal visit to new customer and visit to customer's bank. Dealing with corporation not authorized to do business in your state, check list for when your company does business in another state.

"Credit Policy". Discussion of tendency toward flexibility and variation in term of sale. Unearned cash discounts; Do you allow or collect? Charging interest on past due accounts?—Do you collect? How to say "no" gracefully?

"Marginal Accounts". How valuable are

they? As additional security do you use conditional sales contracts, require acceptable guarantees, accept assignments, demand other forms of security?

"Keep Money Flowing In". Responsibility of credit management for maintenance of working capital. Routine billing. Special billing to suit customer. Key to successful collection letters. Telephone collections. Salesmen as collectors. Outside collection agencies. Personal handling of delinquent accounts.

"Customer Relations". Handling complaints. Errors in bookkeeping. Misunderstanding of terms and conditions. Material returned. Adjustments.

"Office Practice". Credit insurance. Automation for billing, accounts receivable, data for credit department, for sales department, inventory, etc. Practical suggestions along this line, and experience reports.

"Construction Practices". Brief analysis of types of contract bonds in common use. Explanation of new provisions of AIA Form 107, Performance and Payment Bond. How prevent practice of submitting false affidavits to owners by general contractors to collect retainage.

"Wholesale Business". Trend of manufacturers to disregard wholesale distributors. Compensation of salesmen for the wholesale building supply business.

"Federal Business". Problems of renegotiation of government contracts.

"Taxes". What to do about proper taxation of cooperatives in the building supply business to equalize competition with firms paying proper taxes. Problems of interstate business.

"Training of Personnel". Personnel education plan, particularly for replacement of key men. NACM's Graduate School, by one or more graduates of Dartmouth or Stanford.

Joint luncheon with Plumbing, Heating, Refrigeration and Air Conditioning Group. Toastmaster: Browning Roberts, Bass & Co., Hopkinsville, Ky. Speaker: Charles E. Walker, vice president, Federal Reserve Bank, Dallas. Subject: "Inflation—Can It Be Stopped Or Shall We Learn to Live with It?"

#### Chemical and Allied Lines

Five formal talks and panel presentation.

Morning speakers and subjects: "Research and Education—A Boon to Credit Management", John F. Neary, Jr., assistant director of research, Credit Research Foundation, Inc., New York; "Common Mistakes of Creditors in Dealing with Distressed Debtors", W. L. Busch, general



L. SINNICKSON



J. H. MURPHY

credit manager, Chas. Pfizer & Co., Inc., New York.

Panel discussion: "Determination of Bad Debt Reserve". Moderator: J. J. Wenstrup, credit manager, Goodrich-Gulf Chemicals, Inc., Cleveland. (Panel members to be announced.)

Afternoon talks: "Credit Department Costs", Frank Bielevicz, assistant credit manager, Union Carbide Corp., New York; "Small Business Investment Companies", George F. Wingard, general credit manager, Monsanto Chemical Co., St. Louis; "The Trend in Collections", Charles S. Ross, product credit manager, E. I. duPont de Nemours & Co., Wilmington.

#### Confectionery Manufacturers

Joint forenoon session with Food Products and Allied Lines Manufacturers and Millers and Allied Lines.

Forenoon talks: "Operation of the Bankruptcy Court and the Relation of the Referee to the Creditor and Debtor", Judge Elmore Whitehurst, referee in bankruptcy, Dallas Division, U. S. District Court for Northern District of Texas; "Business and Finance—Iron Curtain Style", L. D. Webster, vice president, Lone Star Steel Co., Dallas.

Afternoon speaker: "Benefits of membership in Your Association, and Services Available through Your Association in Connection with Adjustments, Liquidations and Assignments", Henry J. Lamb, secretary-manager, New England Association of Credit Executives, Boston.

Panel and open forum. Moderator: Miss Marie R. Altieri, Fascination Candy Co., Inc., Chicago. Panelists and subjects: (1) "Constructive Credit Department Assistance to customers", John C. Lamon, Kimball Candy Co., Chicago; (2) "Reducing Old Accounts While Selling Currently", Robert L. Allen, D. Ghirardelli Co., San Francisco; (3) "Selling Marginal Accounts", Miss Dorothy Muzynski, M. J. Holloway & Co., Chicago; (4) "Use of Salesmen as Collectors", H. L. Patterson, King Candy Co., Fort Worth.

Luncheon with Food Products and Allied Lines Manufacturers, the Millers and Allied Lines, and the Photographic Manufacturers and Distributors Groups. Guest speaker: R. M. Allman, Procter & Gamble Manufacturing Co., Dallas. Subject: "Taxes, Texas, and Taxis".

#### Drugs, Cosmetics and Pharmaceuticals

Three speakers and panel discussion.

Morning speakers: "Credit Can Be Fun", Walter H. Cousins, Jr., editor and publisher, Southern Pharmaceutical Journal, Dallas; "Constructive Credit Department Assistance to Customers", Walter N. Kuntz, executive vice president, Southwestern Drug Corp., Dallas.

Afternoon speaker: "Compromise Settlements", E. B. Young, general credit manager, Winthrop Laboratories, New York.

Discussion period after each presentation.

Panel and open forum discussion. Moderator: Harry J. Klein, of Merck Sharp & Dohme, Philadelphia. Panelists: E. J. Straube, Jr., Schering Corp., Bloomfield, N. J.; D. J. Fogarty, Grove Laboratories, Inc.

St. Louis; J. Lee Vestal, Upjohn Co., Dallas; L. C. Jones, First Texas Chemical Manufacturing Co., Dallas.

Subjects: (1) "Collection Correspondence"; (2) "Setting Credit Limits—How and Why?"; (3) "Human Relations and Management"; (4) "Automation".

### Electrical and Electronics Distributors

Forenoon addresses: "Liens—Their Place in the Present Day Economy", Ralph D. Baker, attorney, Dallas; "Effective Communications", Leo W. Allman, Regional Information officer, U. S. Department of Labor, lecturer on public relations at Southern Methodist University and on the staff of the Department of U. S. Labor Relations Board, Dallas; "Credit and Financial Aids to Small Business Electrical Contractors", R. T. Custer, district financial manager, Graybar Electric Co., Boston.

Afternoon speakers and subjects: "Association Services", V. L. Wright, secretary-manager, NACM—South Florida Unit, Miami; "Profit Dollars and Sense in Financing", Tom McDavid, assistant director of sales, Commercial Credit Co., Baltimore; "Credit Policies", James P. Keddy, credit manager, Admiral Distributors, Boston; "Moral Leadership", John S. Peters, manager, bonding department, Charles L. Dexter Co., Dallas, representing Maryland Casualty Co.

Open forum. Leader: L. H. Koogler, Triangle Electric Supply Co., El Paso. Subjects: (1) "Are the Present Credit Policies of our Industry Sound?"; (2) "Using Salesmen as Collectors"; (3) "Easy Credit—Tough Collections"; (4) "Where Do We Put Moral Responsibility in the Balance Sheet?".

Question and answer period after each formal talk.

Joint luncheon with Electrical and Electronics Manufacturers and the Machinery and Supplies Groups. Guest speaker: P. B. (Jack) Garrett, vice chairman of board, Texas Bank & Trust Co., Dallas. Subject: "Be a Credit to Your Profession".

### Electrical and Electronics Manufacturers

Two speakers and open forum in forenoon.

Speakers and subjects: "Association Services", H. S. Garness, secretary-manager, Milwaukee Association of Credit Men; "What a Banker Looks For in a Financial Statement", John R. Walker, vice president, Mercantile National Bank of Dallas.

Open forum on "Credit Policies and Problems". Discussion leader: R. A. Mattson, Belden Manufacturing Co., Chicago.

Afternoon speaker: Glen V. Wilson, St. Louis Terminal and Warehouse Co. Subject: "Warehousing".

Open forum and question and answer period. Leaders: P. J. Wilder, Century Electric Co., St. Louis, and George Shelby, Bussman Manufacturing Co., St. Louis.

"Analysis of a Practical Problem" will be presented by Mr. Wilder, for general discussion.

Mr. Shelby will be leader of discussion of these subjects: (1) "How to Cope with the Stretching Out of Terms by Customers"; (2) "Basis Used in Determining



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When to File for Collection"; (3) "Discussion of Chapters X and XI of the Bankruptcy Act".

Joint luncheon with Electrical and Electronics Distributors and Machinery and Supplies Groups. Guest speaker: P. B. (Jack) Garrett, vice chairman of board, Texas Bank & Trust Company, Dallas. Subject: "Be a Credit to Your Profession".

### Feed, Seed and Agricultural Suppliers

Opening address by Trent Root, vice president and controller Southern Methodist University, Dallas. Subject: "Present and Future Trends of Business in the United States".

Panel presentation. Subjects and panelists: (1) "Economic Problems Peculiar to Our Industry", Paul C. Baichly, Ralston Purina Co., St. Louis; (2) "How I Build a Credit File", Eugene Hughes, treasurer, Olin-Mathieson Chemical Co., Little Rock; (3) "What Are the Prospects on Turkey Financing for 1959? Why?", B. R. Gustafson, General Mills, Minneapolis. General discussion.

Afternoon speaker: "What You Can Expect as Members of the NACM," Rubert Lindholm, secretary-manager, Credit and Financial Management Association, Minneapolis Unit. Panel and open forum: "Credit Clinic and Shop Talk". Moderator: George Radie, Dixie Mills, East St. Louis, Ill. Panelists: Waldo Hull, Nutrena Mills, Inc., Minneapolis; Walt Hammond, Spencer Kellogg & Sons, Buffalo, N. Y.; John Ledbetter, Northrup King Seed Co., Minneapolis; Ralph Sheedy, Southern States Co., Richmond.

### Fine Paper

Four formal presentations, and panel and open forum.

Forenoon talks: "Office Automation", W. R. Barber, Remington Rand, Dallas; "The Lawyer's Appraisal of Credit Problems", Robert W. Austin, attorney, Unger- man, Hill, Unger- man & Angrist, Dallas, Texas.

Joint afternoon session with Paper Products and Converters Group.

Speakers and subjects: "Credit Men Must Be Aware of the Expected Impact on Business Resulting from the 1958 Small Business Investment Act", Chris W. Ferguson, regional director of Small Business Administration, Dallas. "What Does Your Association Mean to You?", Harvey C. Hickman, secretary-manager, NACM Great Plains Unit, Inc., Wichita, Kans.

Panel and open forum. Moderator: C. E.

Kelley, Tulsa Paper Co. Panelists: H. G. Bauers, Carpenter Paper Co., Oklahoma City; Milton J. Wied, Newhouse Paper Co., Minneapolis; Cliff Heath, Sealright Company, Fulton, N. Y.; Vern S. Ames, Kimberly-Clark Corp., Neenah, Wis.; Norman S. Higgins, Carpenter Paper Co., Dallas.

Topics: (1) "Methods of Reducing Delinquent Accounts while Selling Currently"; (2) "What Must We Do to Get Proper Credit Information from Banks?"; (3) "Attitudes toward Customers Factoring Receivables and/or Commercial Financing"; (4) "Desirability of Using Salesmen as Collectors"; (5) "Increased Demands for Special Terms"; (6) "Special Credit Department Problems"; (7) "Training Credit Department Personnel—Qualifications for Trainee".

Industry luncheon with Paper Products and Converters Group.

### Floor Coverings and Furniture

Four speakers and panel discussion.

Morning speakers and subjects: "Attitudes", Barry Holton, Southern Methodist University, Dallas; "The Credit Side of Selling", Ted B. Hendrick, president, Collins-Dietz-Morris Co., Oklahoma City.

Afternoon addresses: "What a Banker Looks For in a Financial Statement", Haynes Morris, assistant vice president, First National Bank, Fort Worth; "Services of NACM to its Members", W. J. Wissel, secretary-manager, National Association of Credit Management (Western Michigan), Inc., Grand Rapids.

Panel subjects: (1) "Methods of Reducing Old Accounts while Selling Currently"; (2) "FOR Using Salesmen as Collectors"; (3) "AGAINST Using Salesmen as Collectors". Panelists to be announced.

General discussion period on problems presented from audience.

Joint luncheon with Hardware Manufacturers, Hardware Wholesalers and Paint, Varnish, Lacquer and Wallpaper Groups. Guest speaker: Dr. Sterling Wheeler, public relations director, Southern Methodist University, Dallas. Subject: "Demographic Explosion."

### Food Products and Allied Lines Manufacturers

Joint forenoon session with Confectionery Manufacturers and Millers and Allied Lines Groups.

Forenoon talks: "Operation of the Bankruptcy Court and the Relation of the Referee to the Creditor and Debtor", Judge Elmore Whitehurst, referee in bankruptcy, Dallas Division, U. S. District Court for Northern District of Texas; "Business and Finance—Iron Curtain Style", L. D. Webster, vice president, Lone Star Steel Co., Dallas.

Afternoon speaker: "The Economic Future of the Frozen Food Industry", D. H. Meenach, president, American Foods, Inc., Dallas.

Panel and open forum: "The Food Manufacturers' Credit Clinic". Moderator: S. M. Cole, Ralston Purina Co., St. Louis. Panelists: A. J. Nathanson, Lever Brothers Co., Hammond, Ind.; P. H. Powers, Seabrook Farms, Seabrook, N. J.; Joseph

Shuttleworth, Birds Eye Division, General Foods Corp., White Plains, N. Y.; W. H. Merrick, Green Giant Co., LeSueur, Minn.; H. J. Peterson, Gerber Products Co., Fremont, Mich.; W. G. Kromer, Quaker Oats Co., Chicago; William Dunn, General Foods Corp., White Plains; F. M. Hulbert, Procter & Gamble Distributing Co., Cincinnati; E. J. Agnew, Campbell Soup Co., Camden, N. J.; J. C. Wiesner, California Packing Corp., San Francisco.

Subjects: (1) "Terms of Sale—Method of Enforcement—Term Chiseling. Are the Present Policies Sound? What Steps Are Being Taken to Reverse the Present Trend Of Customers' Requests for Longer and Unusual Terms?"; (2) "Increasing Credit Department Efficiency with New Methods and Ideas in Credit Procedures"; (3) "Economic Problems Peculiar to Our Industry—What Can We Do to Prepare for the Future?"; (4) "Selling Marginal Accounts—What Controls Are Necessary?"; (5) "Trends in Accounts Receivable Turnover"; (6) "How Can You Get Your Customer to Submit Financial Statements?"; (7) "The Traveling Credit Man—What to Look For and What to Ask"; (8) "The Training of Sales Personnel in Credit Matters"; (9) "What's New in Accounts Receivable Systems since Our Meeting Last Year?"

Luncheon with Confectionery Manufacturers, Millers and Allied Lines, and Photographic Manufacturers and Distributors Groups. Guest speaker: R. M. Allman, Procter & Gamble Manufacturing Co., Dallas. Subject: "Taxes, Texas and Taxis".

#### Food Products Wholesalers

Three formal talks and open forum.

Forenoon speakers and subjects: "Understanding People Can Help with Collections", R. J. Sanderson, Dale Carnegie—managing director, Dallas; "Your Credit Association", Miss Ruth Davis, secretary-manager, Knoxville Wholesale Credit Association.

Afternoon talk: "Merchandising Your Credit Sales", Charles Murphy, merchandising manager, The Frito Co., Dallas.

Open forum: "What's Your Problem?" (Come prepared with credit problems for discussion.) Leaders: W. C. James, Texas Wholesale Grocer Corp., Dallas; John E. Hand, John Sexton & Co., Dallas.

Joint luncheon with Meat Packers Group. Guest Speaker: J. D. Gabel, executive vice president and general manager, Waples Platter Co., Fort Worth. Subject: "Human Relations in Management".

#### Hardware Manufacturers

Opening address by C. W. Ferguson, regional director, Small Business Administration, Dallas. Subject: "Small Business Administration Activities".

Workshop. Discussion leader: William Bready, assistant treasurer, Schlage Lock Co., San Francisco. Subjects: (1) "Should Interest Be Charged on Past-Due Accounts?"; (2) "Advantages and Disadvantages of Extended Credit Terms"; (3) "Should Salesmen Be Used to Collect Accounts?"; (4) "Personal Calls on Customers"; (5) "Customer Counseling".

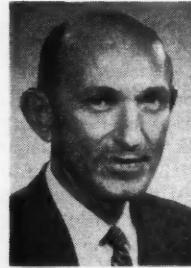
Afternoon talk: "Lest We Forget", O. W. Harigel, vice president, Houston National Bank.

Panel and open forum. Moderator: Ralph M. Dougherty, credit manager, Simonds Saw & Steel Co., Boston. Panelists: John M. Hine, credit manager, Harris-Seybold Division, Harris Intertype Corp., Cleveland; C. Fred Ensign, assistant treasurer, Cleveland Twist Drill Co.; D. G. Patterson, credit manager, Yawman & Erbe Manufacturing Co., Rochester, N. Y.

Subjects: (1) "An Objective Look at the Credit Department by the Sales Department"; (2) "Cooperation between Credit Department and Sales Department"; (3) "How To Sell Marginal Accounts".

Highlight summary—"The Passing Review"—by B. L. Hunt, executive secretary, Cincinnati association.

Joint luncheon with Floor Coverings and Furniture, the Hardware Wholesalers and the Paint, Varnish, Lacquer and Wallpaper Groups. Guest speaker: Dr. Sterling Wheeler, public relations director, Southern Methodist University, Dallas. Subject: "Demographic Explosion".



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J. L. MYERS

#### Hardware Wholesalers

Forenoon speakers and subjects: "Discharge in Bankruptcy", Madden Hill, of Ungerma, Hill, Ungerma & Angrist, Dallas, attorney and U.S. commissioner (Northern District of Texas); "Credit Tools Offered by Your Association", B. H. Badger, Dallas Association of Credit Management.

Open forum discussion. Leader: John L. Wilson, credit manager, Nash Hardware Co., Fort Worth. Subjects: (1) "Collection Correspondence"; (2) "Increasing Credit Department Efficiency"; (3) "Mechanics of Approval by Assistants"; (4) "Setting Credit Limits and Exceptions Thereto"; (5) "New Methods and Ideas in Credit Procedures".

Joint afternoon session with Hardware Manufacturers, and Paint, Varnish, Lacquer and Wallpaper Groups.

Address by Dr. A. Q. Sartain, professor of psychology, Southern Methodist University, Dallas. Subject: "Art of Listening and Effective Communication".

Open forum. Discussion leader: R. H. Buchheit, manager of credits and accounting, The Sherwin-Williams Co., Dallas. Subjects: (1) "Terms of Sale—Methods of Enforcement—Terms Chiseling"; (2) "Selling Marginal Accounts"; (3) "Using Salesmen as Collectors"; (4) "Controlling Dollar Volume Accounts".

Open forum discussion leader: Mark B. Davis, vice president and general credit manager, Belknap Hardware & Manufacturing Co., Louisville. Subjects: (1) "Con-

structive Credit Department Assistance to Customers"; (2) "Compromise Settlements"; (3) "Increased Demands for Special datings"; (4) "Economic Problems Peculiar to Our Industry".

Joint luncheon with Floor Coverings and Furniture Group, Hardware Manufacturers, and Paint, Varnish, Lacquer and Wallpaper Group. Guest speaker: Dr. Sterling Wheeler, public relations director, Southern Methodist University, Dallas. Subject: "Demographic Explosion".

#### Insurance

Morning session only, concluding with fellowship period and luncheon.

Business meeting and roundtable on insurance activities, including "Insurance in the Atom-Jet Age" (general discussion of nuclear liability, vibration damage and other special hazards; report of special hazards subcommittee); "Insurance and the Law" (report on recent developments in Federal and State legislation affecting credit aspects of insurance, such as flood damage, compulsory automobile, bonding legislation); "Customer Insurance Data Affecting Credit Decisions" (discussion of proposed improvements of Standard Financial Statements and other forms.)

"Subcommittee Reports"—special reports from subcommittees on education, information, speakers bureau, construction practices, and special awards.

Report and discussion of local association activities and plans for the year.

#### Iron and Steel, Non-Ferrous Metals and Related Lines

Three formal presentations, and an open forum and panel discussion.

Talks: "Economic Outlook", Eliot Janeway, economist, author, editor, and president of Janeway Publishing & Research Corp., New York; "Purpose and Policies of the Small Business Administration", C. W. Ferguson, regional director, SBA, Dallas; "Your Association", Ralph Johns, executive manager, Indianapolis Association of Credit Men.

Panel and open forum on "Exploring the Effectiveness and Efficiency of Credit Administration Today". Moderator: John Caldwell, assistant credit manager, Armc Division, Armc Steel Corp., Middletown, Ohio. Panelist Fred H. Jones, general credit manager, Kaiser Steel Corp., Oakland, Calif., will discuss "The Administrative Control of Credit Extension". (Other panelists to be announced.)

#### Machinery and Supplies

Opening address: "Losses Caused by Inadequate Credit Information", Joe B. Cooper, Jr., assistant vice president and manager credit department, Fort Worth National Bank.

Panel Discussion: "Credit Shop Talk". Moderator: J. Homer Hilt, district credit manager, Aluminum Company of America, Chicago. Panelists: Orland J. Gant, credit manager, General Industrial Supply Corp., Fort Worth; C. Russ Avery, H. W. Lewis Equipment Co., San Antonio; William H. Heessel, Fehrs Tractor & Equipment Co.

Omaha; Glenn W. Ray, Eastman Products Corp., Plano, Texas.

Subjects: (1) "Terms of Sale—Cash Discounts—Enforcement—Chiseling"; (2) "Should Interest Be Charged on Past Due Accounts?"; (3) "New Methods and Ideas in Credit Procedures"; (4) "Danger Signals in Dealing with Contractors".

Talks: "Your Credit Association—What You Can Expect From It", Ed. H. Kurtz, Secretary-manager, Omaha Association of Credit Men; Robert H. Engstrom, president, Darr Equipment Co., Dallas.

Afternoon panel: "Credit Shop Talk." Moderator: Thomas W. Roberts, credit manager, Chicago-Allis Manufacturing Co., Chicago. Panelists: Lee H. Cole, credit manager, Darr Equipment Co., Dallas; John W. Williams, Jr., vice president and manager, industrial finance department, Mercantile National Bank at Dallas; H. J. Kneuker, American Machine & Foundry Co., New York; Mrs. Nina White, credit manager, Bosco Bolt Nut Screw Co., Inc., Dallas.

Subjects: (1) "Personal Contact and Visitation with Customers—The Objectives and Results"; (2) "Using Salesmen as Collectors"; (3) "Bonds and Liens—Do You Rely on Them?"; (4) "Collection Systems—How Do You Start?—When Do You Start?"

Open Forum on "What Is Your Problem?" Leader: Mrs. Ellen B. Coulam, Airsco Rubber Products of Dallas, Inc.

Joint industry luncheon with Electrical and Electronics Distributors and Electrical and Electronics Manufacturers Groups. Guest speaker: P. B. (Jack) Garrett, vice chairman of board, Texas Bank & Trust Company, Dallas. Subject: "Be a Credit to Your Profession".

### Meat Packers

Three addresses and open forum.

Speakers and subjects: "Measuring the Use of Your Credit", K. F. Lifson, Ph.D., management consultant, Lifson, Wilson and Ferguson, Dallas; "What Can We Expect from Our Association?", Casey Golightly, secretary, Southwestern Credit Men's Association, San Antonio; "Taxes—Effect on Financial Position of the Debtor and What Effects Priority Has on the Creditor", Daniel W. Hitt, CPA, tax specialist, Dallas.

Question and answer period after each presentation.

Open forum leader: Herman M. Waldman, partner, Dallas City Packing Co.

Joint luncheon with Food Products Wholesalers. Guest speaker: J. D. Gambel, executive vice president and general manager, Waples-Platter Co., Fort Worth. Subject: "Human Relations in Management".

### Millers and Allied Lines

Joint meeting with Food Products and Allied Lines Manufacturers.

Forenoon talks: "Operation of the Bankruptcy Court and the Relation of the Referee to the Creditor and Debtor", Judge Elmore Whitehurst, referee in bankruptcy, Dallas Division, U. S. District Court for Northern District of Texas; "Business and Finance—Iron Curtain Style", L. D. Web-

ster, vice president, Lone Star Steel Co., Dallas.

Afternoon speaker: "The Economic Future of the Frozen Food Industry", D. H. Meenach, president, American Foods, Inc., Dallas.

Panel and open forum: "Credit Clinic". Moderator: S. M. Cole, Ralston Purina Co., St. Louis. Panelists: A. J. Nathanson, Lever Brothers Co., Hammond, Ind.; P. H. Powers, Seabrook Farms, Seabrook, N. J.; Joseph Shuttleworth, Birds Eye Division, General Foods Corp., White Plains, N. Y. W. H. Merrick, Green Giant Co., Le Sueur, Minn.; H. J. Peterson, Gerber Products Co., Fremont, Mich.; W. G. Kromer, Quaker Oats Co., Chicago; William Dunn, General Foods Corp., White Plains; F. M. Hulbert, Procter & Gamble Distributing Co., Cincinnati; E. J. Agnew, Campbell Soup Co., Camden; J. C. Wiesner, California Packing Corp., San Francisco.

Subjects: (1) "Terms of Sale—Method of Enforcement—Term Chiseling. Are the Present Policies Sound? What Steps Are Being Taken to Reverse the Present Trend of Customers' Requests for Longer and Unusual Terms?"; (2) "Increasing Credit Department Efficiency with New Methods and Ideas in Credit Procedures"; (3) "Economic Problems Peculiar to Our Industry—What Can We Do to Prepare for the Future?"; (4) "Selling Marginal Accounts—What Controls Are Necessary?"; (5) "Trends in Accounts Receivable Turnover"; (6) "How Can You Get Your Customer to Submit Financial Statements?"; (7) "The Traveling Credit Man—What to Look For and What to Ask"; (8) "The Training of Sales Personnel in Credit Matters"; (9) "What's New in Accounts Receivable Systems since Our Meeting Last Year?".

Luncheon with Confectionery Manufacturers, Food Products and Allied Lines Manufacturers, and Photographic Manufacturers and Distributors Groups. Guest speaker: R. M. Allman, Procter & Gamble Manufacturing Co., Dallas. Subject: "Taxes, Texas and Taxis".



E. P. SIMMONS



W. H. MONTGOMERY

### Oil Field Services And Supplies

Two formal talks and panel and open forum periods.

Speakers and subjects: "Economic Uncertainties of 1959", Philip E. Coldwell, director of research, Federal Reserve Bank Dallas; "Credit—1959", J. Allen Walker, general credit manager, Standard Oil Company of California, San Francisco. Question and answer period will follow each talk.

Afternoon panel presentation: (1) "My Credit Association—What I Want from

It", Walter Cooney, credit manager, Baker Oil Tools, Inc., Houston; (2) "Your Association—What You Can Expect from It", W. D. Wilson, secretary, Dallas Association of Credit Management.

Panel and open forum, on topics mentioned above, plus problems and pertinent subjects. Moderator: D. T. Brooks, Schlumberger Well Surveying Corp., Houston. Panelists: Claude Bennett, purchasing agent, Permian Mud Service, Inc., Odessa, Texas; Miss Olive Wynn, independent credit consultant, Breckenridge, Texas; Neil Shaw, regional credit manager, Schlumberger Well Surveying Corp., Denver; Walter Cooney, credit manager, Baker Oil Tools, Inc., Houston; W. D. Wilson, Dallas Association of Credit Management.

Luncheon with Petroleum Group. Guest speaker: Judge Julian C. Hyer, County Court at Law No. 2, Dallas. Subject: "A Little Honey".

### Paint, Varnish, Lacquer And Wallpaper

Two speakers and open forum in forenoon.

Addresses: (Subject to be announced), John M. Allen, general credit manager, Devoe & Raynolds Co., Inc., Louisville, representing the National Paint, Varnish and Lacquer Association; "Association Benefits Available to All Members", R. W. Kupfer, secretary-manager, Portland Association of Credit Men, Inc., Portland, Ore.

Open forum discussion leader: Harry E. Davis, National Lead Co., St. Louis. Subjects: (1) "Are Present Credit Policies in the Paint Industry Sound? Dealers—Industrial—Trailer Manufacturers—Furniture Manufacturers"; (2) "Do You Pre-Approve Accounts for Salesmen?"; (3) "How Are Initial Orders for Substantial Amounts Handled when Received from Non-Rated Accounts?"; (4) "On What Basis Do You Assign Credit Limits?"; (5) "Under What Conditions Do You Restrict Further Charges to Accounts?"; (6) "Do Your Salesmen Sell Quality or Terms?"; (7) "Credit Outlook for 1959-60".

Joint afternoon session with Hardware Manufacturers and Hardware Wholesalers.

Address by Dr. A. Q. Sartain, professor of psychology, Southern Methodist University, Dallas. Subject: "Art of Listening and Effective Communication".

Open forum discussion leader: R. H. Buchheit, manager of credits and accounting, The Sherwin-Williams Co., Dallas. Subjects: (1) "Terms of Sale—Methods of Enforcement—Terms Chiseling"; (2) "Selling Marginal Accounts"; (3) "Using Salesmen as Collectors"; (4) "Controlling Dollar Volume Accounts".

Open forum discussion leader: Mark B. Davis, vice president and general credit manager, Belknap Hardware & Manufacturing Co., Louisville. Subjects: (1) "Constructive Credit Department Assistance to Customers"; (2) "Compromise Settlements"; (3) "Increased Demands for Special datings"; (4) "Economic Problems Peculiar to Our Industry".

Joint luncheon with Floor Coverings and Furniture Group, Hardware Manufacturers and Hardware Wholesalers. Guest speaker: Dr. Sterling Wheeler, public relations director, Southern Methodist University, Dallas. Subject: "Demographic Explosion".

## Paper Products and Converters

Three formal presentations, two panel and open forum periods.

Forenoon speaker: Ellis Campbell, Jr., district director, U. S. Internal Revenue Service, Dallas. Subject: "Federal Tax Delinquencies—Collection Methods and Procedures".

Panel discussion. Moderator: Donald E. Miller, Gaylord Container Corp., St. Louis. Panelists: Omar H. Anderson, Container Corp., San Francisco; Frank A. King, Inland Container Corp., Indianapolis; H. H. Schroeder, Marathon Division, American Can Co., Menasha, Wis.; V. J. Rhodes, Olin Mathieson Chemical Corp., West Monroe, La.; W. D. Warren, Hoerner Boxes, Inc., Keokuk, Iowa.

Topics: (1) "Final Collection Efforts before Filing Suit"; (2) "Use of Drafts, Notes and Trade Acceptances to Collect Delinquent Accounts"; (3) "Desirability of Credit Manager's Personal Contact with Customers"; (4) "Setting Credit Limits—By What Method and Why?"; (5) "Methods of Controlling Credit with Multiple Shipping Points"; (6) "Credit Department's Participation in Sales Meetings and Setting Sales Policies"; (7) "Handling Cash Discount Chiselers".

Joint afternoon session with Fine Paper Group.

Talks: "Credit Men Must Be Aware of the Expected Impact on Business Resulting from the 1958 Small Business Investment Act", Chris W. Ferguson, regional director, Small Business Administration, Dallas; "What Does Your Association Mean to You?" Harvey C. Hickman, secretary-manager, NACM Great Plains Unit, Inc., Wichita.

Panel and open forum. Moderator: C. E. Kelley, Tulsa Paper Co. Panelists: H. G. Bauers, Carpenter Paper Co., Oklahoma City; Milton J. Wied, Newhouse Paper Co., Minneapolis; Cliff Heath, Sealright Company, Fulton, N. Y.; Vern S. Ames, Kimberly-Clark Corp., Neenah, Wis.

Topics: (1) "Methods of Reducing Delinquent Accounts while Selling Currenty"; (2) "What Must We Do to Get Proper Credit Information from Banks?"; (3) "Attitudes toward Customers Factoring Receivables and/or Commercial Financing"; (4) "Desirability of Using Salesmen as Collectors"; (5) "Increased Demands for Special Terms"; (6) "Special Credit Department Problems"; (7) "Training Credit Department Personnel—Qualifications for Trainee".

Luncheon with Fine Paper Group. Guest speaker to be announced.

## Petroleum

Formal talks and open forum discussions.

Forenoon speaker: Herbert Witty, Ethyl Corporation, Tulsa. Subject: "Creative Thinking: 'Brainstorming'".

Open forum on "Wholesale Credit Problems". Discussion leader: Robert E. Greenwell, The Texas Company, Houston. Topics: (1) "Contractors"; (2) "Truckers"; (3) "Distributors"; (4) "Dealers"; (5) "Firms"; (6) "Industrial"; (7) "Municipal Governments"; (8) "Commercial".

Afternoon address: "Management Controls from the Industrial Relations Viewpoint"; John McKee, manager, industrial relations, Ford Motor Company, Dallas.



G. R. McLAUGHLIN



R. H. GROPPE

Open forum on "Credit Card Account Problems", to include (1) "New Credit Card Styles and Systems"; (2) "Trends in Periods of Validity"; (3) "Delinquency Trends—Causes and Cures"; (4) "Irregular Charges—Dealer's Accountability"; "Wild Cards—Misuse and Abuse: (a) Trends in number and amounts; (b) Origin of wild cards; (c) How picked up or stopped? (d) What punitive action taken?; (e) What avenues for collection?"

Joint luncheon with Oil Field Services and Supplies Group. Guest speaker: Julian C. Hyer, judge, County court, Dallas. Subject: "A Little Honey".

## Photographic Manufacturers And Distributors

Three formal presentations and open forum and panel discussion.

Forenoon speakers: "A Dealer Speaks", W. C. "Jack" Vann, Ace Camera Co., Dallas; "Collections under Texas Laws", Arthur Goldberg, attorney, Goldberg & Alexander, Dallas.

Afternoon talk: "The Economic Outlook" (speaker to be announced).

Question and answer period after each presentation.

Open forum: "General Discussion of Current Problems in the Photographic Industry" Moderator: R. H. Groppe, Arel, Inc., St. Louis. Panelists: J. T. Hughes, Bell and Howell Co., Chicago; David G. Moses, Graflex, Inc., Rochester, N. Y.; Walter A. Reeves, Reeves Photo Sales, Inc., Dallas; Ely A. Shamieh, Polaroid Corporation, Cambridge, Mass.

Joint luncheon with Confectionery Manufacturers, Food Products and Allied Lines Manufacturers and the Millers and Allied Lines Groups. Guest speaker: R. M. Allman, Procter & Gamble Manufacturing Co., Dallas. Subject: "Taxes, Texas, and Taxis".

## Plumbing, Heating, Refrigeration And Air Conditioning

Three formal addresses, two panel and Forenoon talk: "Human and Public Reopen forum discussion periods.



G. E. GABA



F. C. LIVERMORE

lations in Credit Management", Mrs. Leone K. Minneman, personnel counselor, lecturer, author.

Panel and open forum: "Some Credit Problems". Moderator: F. H. Pepmiller, credit manager, Grinnell Company, St. Louis.

Panel members and subjects: "Moral Risks and Ethics", Harry S. Hild, honorary lifetime member, Dallas Association of Credit Management, Dallas; "Constructive Credit Department Assistance to Customers", John H. Cumby, assistant vice president, Republic National Bank of Dallas; "Collecting Delinquent Accounts and Retaining the Goodwill and Business of Customers", James S. Gurney, manager, collection department, Dallas Association of Credit Management.

Afternoon speakers: "What a Banker Looks For in a Balance Sheet", John R. Walker, assistant vice president, Mercantile National Bank of Dallas; "Credit Tools", Jack F. Schofield, executive vice president and secretary-treasurer, St. Louis Association of Credit Management.

Panel discussion: "Federal Tax Liens". Moderator: George Foster, A. Y. McDonald Manufacturing Co., Dallas.

Panel members and subjects: "The Law—Its Effect on Credit Management", H. Gene Emery, tax attorney, Touchstone, Knight, Wright and Simmons, Dallas; "The Government's Problems and Procedures", N. G. Weaver, Internal Revenue Service, Dallas; "Accounting Procedures and Policies That May Help Credit Management", Lawrence J. O'Malley, CPA, chief of tax department, Ernst and Ernst, Dallas.

Joint luncheon with Building Material and Construction Group. Toastmaster: Browning Roberts, secretary-treasurer, Bass & Company, Inc., Hopkinsville, Ky. Guest speaker: Charles E. Walker, vice president, Federal Reserve Bank, Dallas. Subject: "Inflation—Can It Be Stopped or Shall We Learn to Live with It?".

## Public Utilities

Monday afternoon session at 2 p.m.; all-day session Tuesday.

Address of Welcome—C. A. Tatum, president, Dallas Power & Light Co.

Formal presentations: "Cost Savers Affecting Credit and Collection Practices and Procedures and Related Activities", E. R. Johnston, West Penn Power Co., Greensburg, Pa.; "Credit Education for Marginal Income Groups", R. B. Mitchell, Peoples Gas Light & Coke Co., Chicago; (subject to be announced), James R. Leister, secretary-manager, Credit Association of Northern Ohio, Toledo; "Management's Evaluation of the Credit and Collection Department", L. A. Bickel, vice president and general manager, The Lone Star Gas Co., Dallas.

Workshop: "You Asked For It". Discussion leader: W. E. Travis, The Cleveland Illuminating Co.

Industry luncheon speaker: W. F. McCurdy, public relations director, Sears, Roebuck & Co., Dallas.

## Textile

Forenoon session only.

Speakers and subjects:

"Our Service to the 'Needle Industry'

in Texas", Glenn Facka, vice president, Republic National Bank of Dallas.

"Rights of Creditors under Texas Law", Sam Passman, attorney, Dallas.

"Small Business Tax Revision Act of 1958—Advantages versus Disadvantages", CPA, Harry Taten, Wasserman & Taten, New York, and Irving H. Bloch, CPA, Bloch & Livingston, Dallas.

#### Wearing Apparel and Footwear

Opening address: "Operation Salvage", C. J. Wagner, counsel, Associated Creditors, Minneapolis, and past president of Commercial Law League of America.

Forenoon Workshop: "Thinkshopping the Wearing Apparel and Shoe Credit Problems of the Moment". Discussion leader: Willard W. Thomas, general credit manager and secretary, Campus Sweater & Sportswear Co., Cleveland.

Discussion to include: (1) "The Effects of a Rapidly Changing Economy on Wearing Apparel and Shoe Retailing"; (2) "The Ramifications of Opening and Operating a Specialty Store in a Suburban Shopping Center"; (3) "Counseling the Retailer on His Problems"; (4) "The Ethical Exchange of Credit Information"; (5) "Evaluating the Picture, the Operating Statement and the Balance Sheet Show"; (6) "Increasing Credit Department Efficiency"; (7) "Measuring the Effectiveness of Credit Department Operation"; (8) "What Should Be Done When a Letter Is Received Offering a Compromise Settlement?"

Afternoon speaker: William P. Layton, educational director, National Association of Credit Management, New York. Subject: "Managerial Effectiveness—The Key to Tomorrow".

Workshop: "What's the Answer?" Discussion leader: T. Douglas Oxford, assistant treasurer and general credit manager, General Shoe Company, Nashville.

Discussion to include: (1) "Terms of Sale—Methods of Enforcement—Terms Chiseling"; (2) "Future Tax Outlook"; (3) "Are the Present Credit Policies of Our Industry Sound?"; (4) "Do You Set Credit Limits—How and Why?"; (5) "Danger of Building Volume with Marginal Accounts"; (6) "N.S.F. Checks—A Growing Problem"; (7) "Customer Mortality in Apparel Industry."

Industry luncheon at 12:30 p.m. Guest speaker: Warren Leslie, director of sales promotion, Neiman-Marcus Co., Dallas. Subject: "The Retailer Spotlights the Apparel Industry".

#### FR Studies Plan to Reduce Interest-Free Check Credit

Federal Reserve has under study a proposal to extend to three days the time allowed by FR banks before crediting a sending commercial bank with the dollar amount of the check. The time interval now allowed is two days, on checks drawn in distant or remote locations. This would reduce the amount of "float" checks for which commercial banks receive interest-free credit from the System. "Float" averages \$1 billion.

## First Annual Seminar of Minneapolis

### Unit Covers the 1959 Economic Front

FROM NACM president James H. Donovan's emphasis on the importance of customer counseling, to other speakers' discussions of such diverse subjects as the Federal budget, Federal Reserve's credit policies, small business, prices, and consumer distribution programs, the first annual Seminar sponsored by the Minneapolis Credit and Financial Management Association set a brisk pace for the years to come.

Important as is analysis of the financial statement, today's credit executive is concentrating attentions also upon the personal aspects of management and learning to know the customer firsthand as a direct adjunct to augment the company's profitable sales volume, said Mr. Donovan, assistant treasurer of Jones & Laughlin Steel Corporation, Pittsburgh.

"Dynamic Credit and Financial Management for Maximum Economic Progress" was the theme of the Seminar, presented by the School of Business Administration and the Center for Continuation Study on the University of Minnesota campus.

#### Budget, Fiscal Policy Analyzed

Leading off the program, Walter W. Heller, chairman of the department of economics, School of Business Administration, analyzed the Federal budget and its implications in Government fiscal policy and the overall Federal Reserve Board credit policy for this year.

Panelists on the Economic Forecast for 1959 agreed that the general price level is not likely to rise materially. Harold Lunde, assistant professor of economics at Macalester College, St. Paul, was moderator.

Stock market prices are up because corporation prices are up, James G. Peterson, vice president and director, J. M. Dain and Com-

pany, Minneapolis, indicated. With an expected increase of \$14 to \$16 billions before taxes this year, a new "normal" price may be established as a result, the 100 in attendance were told.

#### Hendrick on Small Business

Ted B. Hendrick, president of Collins-Dietz-Morris Company, Oklahoma City, 1957-58 vice president of NACM's Southern Division, underscored the very important and necessary function of small business in the economy. Bigness is a relative term, he pointed out.

Speaking in a panel presentation on small business financing, C. Herbert Cornell, president, Fidelity State Bank and Trust Company, Minneapolis, explained in detail how conventional bank financing as well as Government small business financing may be obtained. Advancing the businessman's viewpoint, W. L. West, president, Torit Manufacturing Company, St. Paul, told how these services can best be utilized by small companies in managing their working capital.

A challenging and informative analysis of the marked changes taking place in the distribution patterns of consumer goods was initiated by Robert S. Hancock, associate professor of the University's School of Business Administration.

Another panel discussion, with Charles T. McGarraugh, vice president, Northwestern National Bank of Minneapolis, as moderator, brought out technical aspects of special financial arrangements to increase distribution of merchandise while limiting the credit risk.

James Remington, credit manager, Minneapolis Honeywell Regulator Company, president of the Minneapolis association, summed up the conclusions, forecasts and analyses.

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*The editor of a newspaper asked his readers to send in remarks on the subject, "Books that have helped me." One of the replies was: "My mother's cook book and my father's check book."*

—Anonymous

## CALENDAR OF EVENTS IMPORTANT TO CREDIT

### DALLAS, TEXAS

May 3-7

63rd Annual Credit Congress

### FARGO, NORTH DAKOTA

September 18-19

North Central Credit Conference including Minnesota, North Dakota, Manitoba

### GRAND RAPIDS, MICHIGAN

September 24-25

Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

### MINNEAPOLIS, MINNESOTA

September 28-30

American Petroleum Credit Association's Annual Convention

### OMAHA, NEBRASKA

October 14-16

Tri-State Credit Conference, representing Iowa, Nebraska and South Dakota

### MEMPHIS, TENNESSEE

October 14-16

All Southern Credit Conference

### SYRACUSE, NEW YORK

October 15-17

Tri-State Credit Conference, including New York, New Jersey, Eastern Pennsylvania, and Maryland

### CHICAGO, ILLINOIS

October 16-17-18

Midwest Credit Women's Conference

### BOSTON, MASSACHUSETTS

October 20-21

New England District Credit Conference, including Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

### QUINCY, ILLINOIS

October 21-23

Quad-State Credit Conference, including Missouri, Kansas, Southeastern Iowa and Southern Illinois.

### CLEVELAND, OHIO

October 22-23

Ohio Valley Regional Credit Conference, including Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

## Credit Not Used Enough to Develop Sales, Moran Tells Joint Meeting at Toledo

MODERN credit management "is fully as salesminded as the sales department personnel, and as alert to development of maximum sound sales volume and profits as any executive of the company", Edwin B. Moran, executive vice president, National Association of Credit Management, told a joint meeting of 300 members of The Toledo Sales Executive Club and The Credit Association of Northwestern Ohio.

Credit as a sales tool is inadequately understood and all too infrequently used to develop sales, declared the faculty member of the National Sales Executives' Graduate School of Sales Management and Marketing. He pointed out that the credit department should be and can be a prime factor in increased production and distribution.

"Too tight credit policies can be as detrimental to your company's sales volume as those which are too loose", Mr. Moran emphasized. Last year's credit policies may be obsolete, and "it may be necessary to re-appraise, re-evaluate, re-juvenate and re-vitalize them if your company is to continue financially stable and strong".

The credit manager was the original researcher, the past president of the Chicago Sales Executives Club pointed out, in urging maximum coordination between sales and credit executives and personnel.

"A predetermined credit line can be regarded as an individual account sales quota and so a challenge to the

## Territorial Credit Week in Hawaii Will Open April 20th

Territorial Credit Week, which won widespread attention last year both in Hawaii and on the mainland, will be observed April 20-26.

"Credit Sales" will be the theme of the event, to tie in with National Retail Credit Week of the same dates.

Participating are the Hawaii Association of Credit Men, The Credit Women's Breakfast Club, and the Honolulu Retail Credit Managers Association.

George Harlo Brock of the Hawaii association is general chairman. Donald I. Sroat, Honolulu Electrical Products Co., heads publicity.

salesman. Therefore, proper understanding and appreciation of his company's credit and collection practices is vital to the salesman, not only in direct relation to sales volume but also in advancement of good relations with customers. Furthermore, the credit executive's counseling and developing of the marginal account can be a valuable asset to the salesman in these days of sharpened competition."

The author of "The Credit Side of Selling" explained the one difference in goals: "The sales manager strives for increased turnover of inventory whereas the credit manager strives for increased turnover of working capital".

The need for "more pre-analysis and less post-mortem" in credit management, to maintain and improve sales volume and earnings, calls for the cooperation of field salesmen in "providing the credit manager with information and observations that may indicate trends of customer attitude, actions and prospects. Thus there will be appreciable mutual understanding of the human side of the balance sheet".

Credit managers, Mr. Moran observed, are spending more and more time in the field acquainting themselves personally with the affairs and problems of their customers, and so augmenting company business.

Presiding at the joint gathering was Lawrence Schiermyer, vice president, The Ohio Citizens Trust Company. T. O. Metcalf, Toledo Scale Corp., was program chairman.



P. R. GROSS



W. F. BAKER



C. V. CESERY



P. A. LITTLETON

PAUL R. GROSS steps up to treasurer, United States Steel Corporation's U.S. Steel Supply Division, Chicago, from regional manager-treasury department. He succeeds C. H. Kraft, who has been transferred to the corporation's New York offices as executive assistant—treasury department. Past president of the Chicago Association of Credit Men, Mr. Gross served as vice general chairman of the 59th Credit Congress (Chicago 1955), also as chairman of the Iron and Steel Industry Group. He began with U.S. Steel in 1948 as credit representative in the Chicago office.

WILLIAM F. BAKER, formerly district credit manager, succeeds Mr. Gross in the position of regional manager — treasury department, United States Steel Corporation, Chicago. Mr. Baker began with the company in 1948 as a management trainee, following graduation from Westminster College (Pa.). He holds the Executive Award of the NACM Graduate School of Credit and Financial Management, Dartmouth (1954), and is a faculty member, Northwestern University evening division.

#### Company President Now, He Bartered Hay, Hogs in '30's

His first job, in 1932 following graduation from University of Colo-

rado, involved liquidating accounts of two lumber yards, an activity which consisted primarily of accepting hay, hogs, honey or harness in lieu of cash. Resourcefulness proved, Clark R. Gittings went into wholesale lumber sales, now is president of Gittings Lumber Company, Inc., Denver. He recently was named president of the Rocky Mountain Association of Credit Men.

Mr. Gittings is cochairman Building Materials & Construction Industry Group, for the forthcoming NACM Credit Congress, in Dallas. He is chairman lumber division of Denver Markets, Inc., director Colorado University Alumni Club, was Navy flight instructor in World War II. (For photograph of Mr. Gittings receiving the gavel of office, see page 28.)

#### Haugen Named Chairman of Oliver's Financial Committee

Bernhart Haugen, vice president and treasurer of The Oliver Corporation, Chicago, since 1944, and a member of the board since 1952, has been appointed chairman of the corporation's newly created financial committee. Thirty-year employee of the organization, Mr. Haugen began with Oliver as assistant controller, advancing to controller in 1931, to controller and treasurer ten years later. Mr. Haugen is a native of Rice Lake, Wis.



B. HAUGEN

*If a man wants to borrow trouble, he never needs collateral.*

—Anonymous

#### Head of Tile Firm Serves Many Facets of Industry

Career and industry posts held by Carl V. Cesery, president and general manager of Jacksonville (Fla.) Tile Company, and owner and operator, Capital Tile Company, Tallahassee, reflect devotion to his chosen career. Mr. Cesery currently is president of NACM North Florida unit, president Tile Contractors Association of Duval County, president Georgia Tech Alumni Association of North Florida, vice president Kiwanis Club of So. Jacksonville. In addition to former presidencies of national tile, marble and terrazzo associations, Mr. Cesery presently holds a number of national committee posts in the industry.

Native son of Jacksonville, Mr. Cesery was graduated from Georgia School of Technology, Atlanta, and completed law studies at Southeastern University.

#### Chesapeake District Is Home Base for Education, Career

Preston A. Littleton is that rarity, a native Washingtonian (D.C.). Whether being born in the nation's capital automatically qualifies one to be called a "capitalist," there's no doubt of Mr. Littleton's qualifications as credit sales specialist, by virtue of company title and now election to president of Washington Association of Credit Men, Inc. Mr. Littleton, since 1956 Chesapeake district credit manager, General Electric Company, sales and distribution department, was educated at Georgetown University, formed the General Electric Credit Corporation, Washington, D.C. office in 1945, became district credit manager, GE Supply Company, 1948.

Three branches of GE Chesapeake district are Association members.



# Reports from the Field

**NEWARK, N. J.**—Financial editors roundtable presented by the New Jersey Association of Credit Executives had this impressive panel: Elmer C. Walzer, financial editor, United Press International; Thomas E. Mullaney, financial and business editor, *New York Times*; Edward J. Burke, business and financial editor, *Newark News*; and Walter Breede, Jr., Associated Press financial columnist. S. Guernsey Jones, vice president, National Newark & Essex Banking Company, past president of the New Jersey association, was moderator.

**DALLAS, TEXAS**—Phillip E. Coldwell, director of research, Federal Reserve Bank of Dallas, speaker at the luncheon meeting of The Dallas Association of Credit Management, Inc., discussed economic trends.

"Tales of Management and Credit from the Middle East" was the intriguing title of a talk by Dr. Paul Geren, executive director, Dallas Council on World Affairs, and executive vice president, Baylor University, at a subsequent meeting of the association which was attended by S. J. Haider, vice president, NACM, in Dallas for the forthcoming Credit Convention.

Joining the ranks of seven other Dallas association recipients of the Fellowship Award of the National Institute of Credit are: T. M. Cox, James H. Evans, P. E. Gade and W. P. Garrett, Jr.

**SAN FRANCISCO, CALIF.**—Frank G. MacIlroy, vice president-general manager, Office Overloads Div., Western Employers Service, San Francisco, addressed the meeting of the National Institute of Credit of the Credit Managers Association of No. and Central California. Trends of office management received particular attention.

**KANSAS CITY, MO.**—Education for credit was theme of William Layton, director of education, NACM, speaker at the Kansas City Wholesale Credit Association luncheon meeting. Mr. Layton presented the Associate Award, National Institute of Credit, to Andrew R. Murphy, Universal Atlas Cement Co.

**NEW ORLEANS, LA.**—New Orleans Herd, Royal Order of Zebras, elected Wilbur Babin, of Geo. H. Lehleitner & Co., Exalted Superzeb. Other new officers are: John Hillebrand, Dixie Packing Co., Arabi, La.; Phil Gardner, Philip Quaglino Tobacco Co.; Karl Weikert, Airtemp Div., Chrysler Corp., and Elliott Smith, Moore Steel, Inc., New Orleans. J. B. Charles, New Orleans Credit Men's Association, is Zebretary.

**NEW YORK, N. Y.**—Hon. Irwin D. Davidson, of the Court of General Sessions, was principal speaker at the 64th annual banquet of the New York Credit and Financial Management Association, which brought together some 1,200 executives and guests. James H. Donovan, president, National Association of Credit Management, was an honored guest.

**PITTSBURGH, PA.**—"Future of Instalment Financing" was subject of Thomas W. Gormly, vice president, Peoples First National Bank & Trust Co., at the regular Credo luncheon meeting of The Credit Association of Western Pennsylvania.

Worthy of note, these subsequent Credo meeting speakers and their topics: Robert Vickers, manager, National Credit Office, automotive credit service div., Detroit, "Automotive Industry and Your Business in 1959"; Franklin Blackstone, Jr., assistant United States attorney, "Statute of Limitations under the Uniform Commercial Code"; Jerome C. Bachrach, partner,

Bachrach, Sanderbeck & Co., "The Corporate Choice to Eliminate Corporate Taxes." At the Credo meeting sponsored by the Construction Materials Credit Group, Alan S. Christner, vice president, Mellon National Bank & Trust Co., discussed "Construction Loan Financing."

At the meeting of the Foreign Credit Club of the association, William A. Slugg, assistant manager, Insurance Company of North America, Cleveland, had as his subject "Pitfalls in Ocean Marine Insurance."

NACM President and Mrs. James H. Donovan were presented an engraved silver water pitcher at a party of the Pittsburgh Credit Women's Group.

"Important Indicators of Financial Progress" was topic of David T. Snowdon, assistant vice president, Mellon Bank, at a regular meeting of the women's group.

**HARTFORD, CONN.**—Edwin B. Moran, executive vice president, National Association of Credit Management, was speaker at the membership meeting of the Hartford Association of Credit Men. His topic was "Increased Services and Facilities to Aid the Credit Executive."

**CLEVELAND**—Bank Night meeting, jointly sponsored by the Cleveland Association of Credit Men and Central National Bank of Cleveland, had as speaker Raymond Rodgers, professor of banking, New York University, school of business administration, member faculty NACM Graduate School of Credit & Financial Management, Dartmouth.

**SPRINGFIELD, MASS.**—"Credit Policy, Method of Operations" was topic of panelists from Boston Association of Credit Men at the dinner meeting of Western Massachusetts Association of Credit Executives. Raymond T. Custer, Graybar Electric Co., was moderator. Panelists included J. Franklin Smith, Monsanto Chemical Co.; James P. Keddy, Admiral Distributors, Boston div. of Admiral Corp. Miss Jeanne Turner, Hampden Electric Supply, is president of the Springfield association.

**ST. LOUIS, MO.**—Dr. Ernest Brandenburg, dean of University College and associate professor of speech, Washington University, guest speaker at the meeting of the Credit Women's Club of St. Louis, had for his theme "You're Never Too Old to Learn."

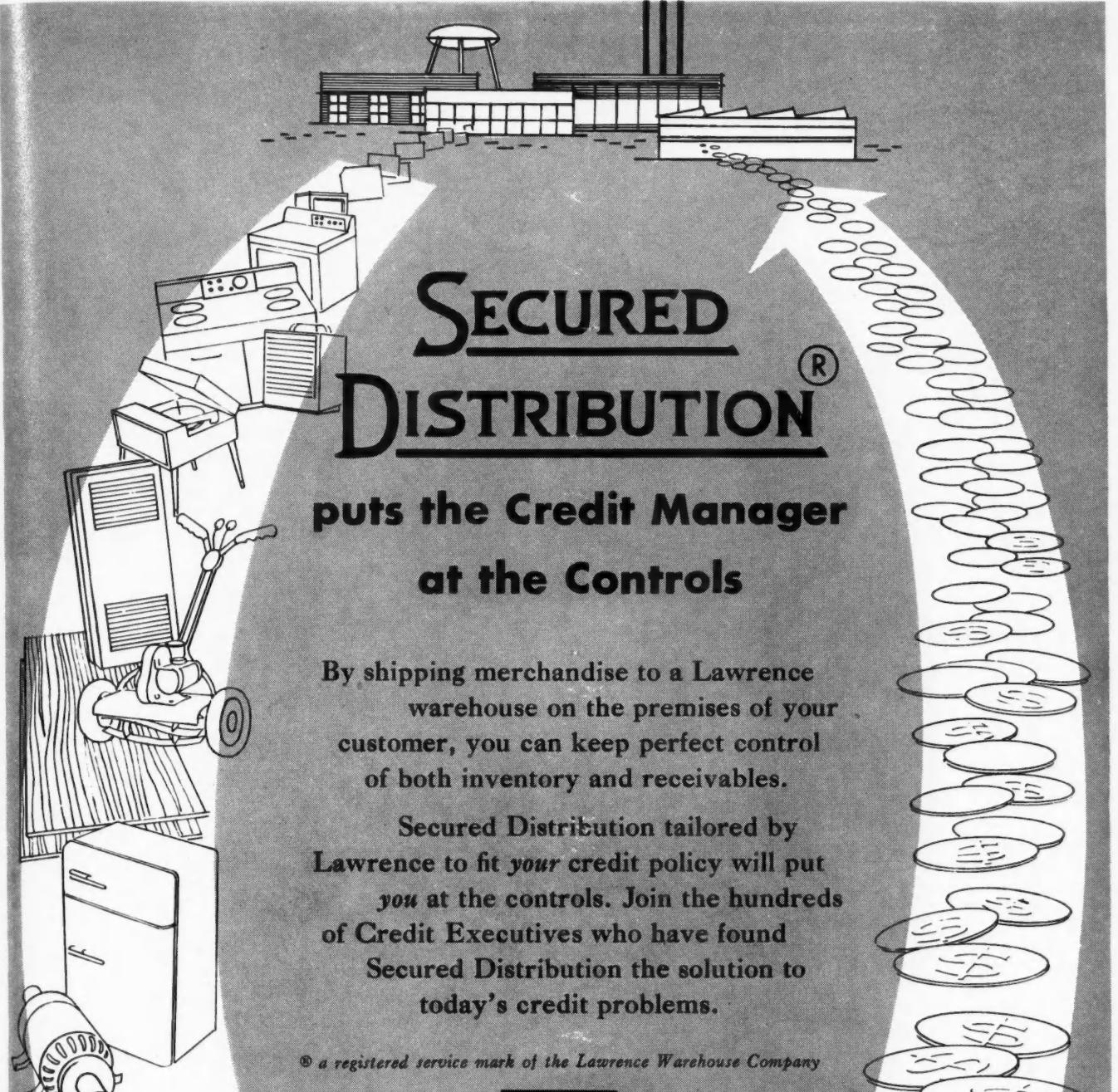
**ROCHESTER, N. Y.**—Federal Reserve policies were subject of Carl H. Madden, assistant secretary, Federal Reserve Bank of New York, at the "Bankers Nite" meeting of the Rochester Credit & Financial Management Association.

Dr. Harold C. Passer, economic analyst, Eastman Kodak Co., at the meeting of the association's Management Discussion Group, projected his analysis of economic factors.

**GREEN BAY, WIS.**—Dr. Beryl W. Sprinkel, Harris Trust & Savings Bank, Chicago, author and economic advisor, was guest speaker at the dinner meeting of the NACM Northern Wisconsin-Michigan Unit.

**DAYTON, OHIO**—Dr. Carl C. Byers, Cleveland educator and lecturer, addressed the Dayton Association of Credit Men dinner meeting. Dr. Byers titled his talk "Time Out for Laughter."

**BOSTON, MASS.**—Arthur T. Wasserman, attorney, discussed the Uniform Commercial Code at the past presidents' night meeting of the Boston Chapter, National Institute of Credit.



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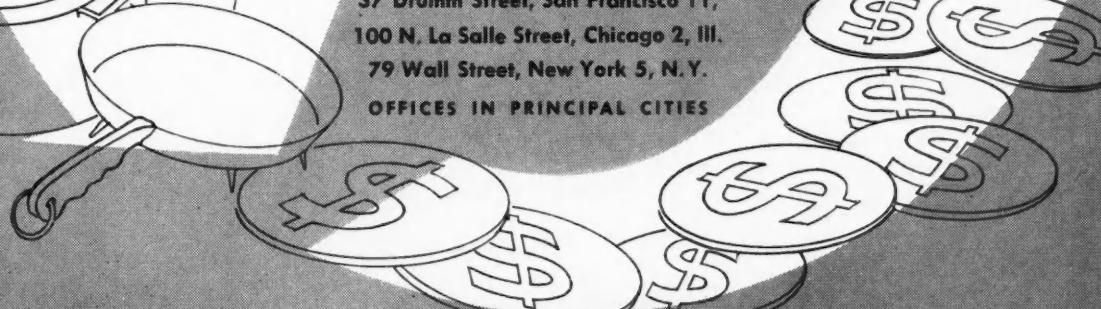


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# Highlights from COMMERCIAL CREDIT'S 47th ANNUAL REPORT

## FINANCE COMPANIES

Wholesale Financing  
Instalment Financing  
Commercial Financing  
Equipment Financing  
Fleet Lease Financing  
Rediscounting  
Direct Loans  
Factoring

## INSURANCE COMPANIES

Automobile Insurance  
Credit Insurance  
Health Insurance  
Life Insurance

## MANUFACTURING COMPANIES

Pork Products  
Metal Products  
Heavy Machinery and Castings  
Malleable, Grey Iron and Brass Pipe Fittings  
Metal Specialties  
Roller and Ball Bearing Equipment  
Machine Tools  
Toy Specialties  
Pyrotechnics  
Printing Machinery  
Valves

### GROSS INCOME

#### NET INCOME:

	1958	1957
	\$ 163 672 045	\$ 174 725 311
Net income before interest and discount charges	\$ 90 980 103	\$ 98 963 983
Interest and discount charges	42 732 824	47 699 540
Net income from current operations, before taxes	\$ 48 247 279	\$ 51 264 443
United States and Canadian income taxes	21 444 888	24 367 474
Net income credited to earned surplus	\$ 26 802 391	\$ 26 896 969
Net income per share on common stock	\$ 5 29	\$ 5 33
Common shares outstanding at end of period	5 066 255	5 045 565

#### RESERVES:

	1958	1957
Reserve for losses on receivables	\$ 18 617 824	\$ 19 170 217
Unearned income on instalment receivables	79 137 245	80 900 216
Unearned premiums—Insurance Companies	27 954 932	31 915 207
Available for credit to future operations	\$ 125 710 001	\$ 131 985 640

Operations shown separately are, briefly:

#### FINANCE COMPANIES:

	1958	1957
Gross receivables acquired:		
Motor, finance leases and farm equipment and other retail instalment	\$ 768 708 228	\$ 918 171 114
Motor, farm equipment and other wholesale notes and advances	1 105 596 313	1 553 479 488
Factoring, open accounts, notes, etc.	1 195 540 684	1 227 421 903
Direct and personal loans	154 641 630	131 365 861
Total receivables acquired	\$3 224 486 855	\$3 830 438 366
Total receivables outstanding December 31	\$1 338 455 714	\$1 447 184 063
Net income of Finance Companies	\$ 16 257 950	\$ 15 824 956

#### INSURANCE COMPANIES:

	1958	1957
Written premiums, prior to reinsurance	\$ 27 727 167	\$ 34 632 251
Earned premiums	30 052 311	35 161 496
Net income (including Cavalier Life Insurance Co.)	7 906 844	6 820 050

#### MANUFACTURING COMPANIES:

	1958	1957
Net sales	\$ 133 233 066	\$ 136 321 975

Offering services through subsidiaries in more than 400 offices in the United States and the Dominion of Canada.

**COMMERCIAL CREDIT COMPANY** Baltimore 2, Maryland

Copies of our 47th Annual Report available upon request

